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PAY NO MORE!

Chicago

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THURSDAY, OCTOBER

PASTOR ACCU

FIVE WITNESSES LINK GANGSTER TO RICH PROFITS

Gaming House Clerk Testifies for U. S.

BY PHILIP KINSLEY.

(Pictures on back page.)

Five witnesses, one of them a Congregational minister and another a gambler of the Capone syndicate, took the witness stand in Federal Judge Wilkerson's courtroom yesterday as the curtain was lifted upon the income tax case against Al Capone which the United States government has been three years in building.

Through the Rev. Henry C. Hoover, an earnest young suburban pastor, and two other members of a ministerial and civic association which had been organized to drive Capone out of the western suburbs, the government succeeded in convincing Capone of his guilt.

Gambler Tells of Profits.

And through L. A. Shumway, a former employe of the underground gambling houses of Chicago, which were driven from one place to open in another, the prosecution showed profits to the house which Capone owned of \$300,250 in 1934, \$117,400 in 1935, and \$170,011 during four months of 1936. The books of the gambling house were introduced as evidence.

The Rev. Mr. Hoover is roddy of complexion, with a thin nose and a long, sharp nose, surrounded by glasses. He testified slowly and deliberately, apparently weighing each answer before delivering it.

Capone and the young minister came face to face during a raid on the place at 4313 West 324 street on the afternoon of the third Saturday in May, 1935, the day of the Kentucky Derby. The association of church members and property owners had collected a posse of police and had entered the place with the purpose of wrecking it.

Place Reopened on Same Day.

They did so partially, but it was shown through another witness that it was only for a few hours, as the gamblers were doing business at the same stand later that afternoon. In the meantime several money had been broken, including that of one witness who took the stand yesterday.

Capone's presence in the gambling house and his conversation were corroborated by the other witnesses. As his motion picture was shown, he was seen to be in the place.

The minister identified Capone in court, pointing him out as he sat behind his lawyers, Michael Ahern and Albert Fink. Capone smiled and enjoyed the evidence, frequently looking his lawyers in the back in amusement.

On the afternoon of the raid Capone evidently was routed from his quarters at an unusual hour for him. His appearance was made in a suit, coat, trousers hastily pulled on. He had no shave. Two witnesses described his entry and swore that he said:

"I'm the owner of this place."

Describes Gang Chief's Fin.

The Rev. Mr. Hoover said that when Capone came in he followed the gangster to the office part of the gambling house and Capone said to him:

"Why don't you follow me?"

After the minister had explained that he had no personal feeling against Capone, but was merely acting in the interests of civil righteousness, Capone said to him:

"This is the last time you'll ever pull me out."

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MARSH
STON

U. S. Jury Hears Of Capone's 'Take' Told by Himself

**Gang Chief Loses Fight
to Bar Admissions to
Tax Expert.**

BARES FAILURE TO FILE

Alphonse Capone, on trial before Federal Judge James H. Wilkerson for evasion of the income tax, today received his first serious reverse when the judge admitted in evidence the record of his early negotiations for a compromise with the treasury department.

In this statement, which contains a biography of Capone compiled by Lawrence B. Mattingly, income-tax expert, then representing the gangster, Capone outlined the founding of his alcohol syndicate late in 1925—an organization to which he contributed no capital and from which he derived an income of "not more than \$200,000 in 1927 not more than \$40,000 and in 1928 and 1929 not more than \$100,000 a year."

Always in Debt, Claim.

It represents that during this period Capone was at no time less than \$75,000 in debt to the three associates with whom he had organized the syndicate.

It admits freely that Capone never filed an income-tax return and in general concedes many of the points upon which the government based its present case. The document looked upon it—and so stated in arguments attempted to keep it from the jury—as a virtual plea of guilty. The document supports evidence given yesterday by L. A. Shumway, for three years a bookkeeper in gambling houses in Chicago, who testified that the Hawthorne Smoke Shop and other gambling dives in 1924 showed a net profit of \$40,000. In 1925, \$115,000, and in 1926, \$170,011.

Defense Makes Long Fight.

The wrangle over the Mattingly document came soon after the opening of court this morning when George C. Slentz, attache of the internal revenue department in Washington, D. C., was called as first witness. The paper was presented to him by Assistant United States District Attorney Samuel G. Clawson as government's exhibit A—a maneuver which brought Attorneys Michael Ahern and Albert Pink to the rostrum with objections. The jury was excluded, the letter and notes read to the court and an argument begun which lasted until well into the afternoon session.

The defense attorneys in their long fight sought to have the letter treated as privileged matter, which as a presentation of fact in one particular negotiation was not admissible as evidence in another case.

Judge Wilkerson, after stressing the point that a citizen guilty of violating a federal statute cannot escape indictment by presenting the facts in the case to a minor official of the treasury department, suddenly broke in on the wrangle and declared that the documents were admissible. The jury was recalled.

Miss Helen Alexander, 1912 South 49th avenue, Cicero, a draft teller in the Pinkert State Bank, was the next witness. She testified that Capone had had a deposit box in the vaults of this bank from April, 1926, to April, 1927. Under the contract through which this box was allotted to Capone it could be opened only in the presence of Louis Le Cava and A. Capone after both of them had signed the entrance slip. She said that she had seen the defendant many times during that year.

Identifies Mattingly Letter.

At this point Louis H. Wilson, internal revenue agent in charge of special fraud investigation in Chicago, was called to the stand. He identified the Mattingly letter as one

(Continued on Third Page.)

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CAPONE'S STORY OF 'TAXES' TOLD TO JURY

(Continued from First Page.)

received in his office on March 27, 1930. He said that he recognized the signature as Mattingly's, because Mattingly had subsequently shown him other papers bearing his signature. He said that Mattingly had visited him first in his office on April 16, 1930, to talk over the matter of Capone's tax delinquency and on the next day came in with Capone himself.

"What did Mattingly say to you about Capone's income tax?" inquired Mr. Cawson. The defense attorneys raised an objection which was sustained.

Mr. Cawson then turned from Mr. Wilson, picked up the Mattingly letter and began to read it to the jury, which leaned forward listening open-mouthed.

Alibi Failure to Eke.

The letter began by stating that the undersigned had been called upon by the Internal Revenue Service to furnish information regarding the income of Alvin Karpis, Edward G. Bremer, and John Dillinger, who were named as persons who had been indicted for the Bremer kidnapping. The letter stated that the undersigned had been unable to furnish the information requested and that he was therefore writing to the undersigned to explain the reasons therefor. The letter stated that the undersigned had been unable to furnish the information requested because he had been unable to locate the persons named in the letter and that he was therefore writing to the undersigned to explain the reasons therefor.

According to the letter were stenographic notes of conference between Mattingly, Capone, and the chief agents, in which Capone outlined the founding of his "syndicate," which was to become one of the largest illegal corporations in the world. Capone stated that he had contributed no capital to this organization and that he had been aided by three associates. The profits of the organization he stated were to be split so that one-third would go to the employer and two-thirds to each of his associates and himself.

He said that he was carrying a \$20,000 mortgage on his home in Florida and that at no time was he less than \$20,000 in debt to his associates.

Arrived with Bodyguards.

Mr. Wilson recalled that on April 17 Mattingly, who had been in his

Manly office on Sept. 19, 1930, Mattingly had been in his office on Sept. 19, 1930, and had found it a very difficult task. He had been unable to find complete records for each year.

"The next day Mattingly came in and gave me a typewritten sheet," Wilson testified. "He said to me, 'These income figures are the best we can do. Capone is willing to pay taxes on these.'"

At this point court recessed to permit a discussion of facts contained in Mattingly's audit.

Has Big Ideas.

According to the story told this morning Mr. Capone was not satisfied with money whose exact ownership could not be plotted with precision. He began to have ideas for a big corporation—something like the General Electric or the Ford Motor corporation—a corporation that would be the shipping board of the alcohol business. And so he formed what might be called a more directorate consisting of himself and three associates. He outlined his proposition to the other directors, admitting that he was bringing to this stupendous organization nothing but his brains and a pleasing personality and so was known as the "Syndicate."

The work of the syndicate was simple. One-third of the earnings were to go to the employer, making this the greatest profit-sharing venture ever seen on the American continent. The remaining profits were to be split equally between Mr. Capone and his three unnamed associates.

Despite what economists might have had to say about the financial parts of such an organization it prospered. In 1925 Mr. Capone's share was not more than \$20,000; in 1927 not more than \$40,000 and in 1928 and 1929 not more than \$100,000 a year. There were some deductible expenses of course. Mr. Capone represented that for his attorney that at no time during this period was he less than \$75,000 in debt to his associates.

The furniture of his Florida home cost him something like \$20,000, he said, and in addition to that he was bravely failing to pay off a \$30,000 mortgage on the house itself. During all of this he apparently was able to preserve his smiling countenance, serene in the knowledge that the depression would last forever and prosper, would be somewhere just around the corner.

He was carrying a large home mortgage at the time—just as other business men of the time were doing. He was carrying a large home mortgage at the time—just as other business men of the time were doing. He was carrying a large home mortgage at the time—just as other business men of the time were doing.

with a statement by Mr. Mattingly, who said that he had been unable to find complete records for each year. The taxpayer taxpayer in this sense being a term identifying but not descriptive of Mr. Capone, as a basis for determining his net taxable income.

Close of Negotiations.

The letter, so the notes disclose, was handed by Mr. Mattingly on Sept. 20, 1930, to C. W. Herrick, internal revenue agent in Chicago at the time, bringing to a close a long series of conferences between Mr. Capone and government agents.

The overtures of Mr. Capone to reach an agreement with the United States and discharge his duties as a good citizen and taxpayer were started, so the notes disclose, March 26, 1930. At this time came Mr. Capone with the illuminating statement:

"Mr. Capone has never filed an income tax return but wants to co-operate with the government."

Mr. Mattingly represented that in this effort to render to Caesar's things that presumably were Caesar's—a just and equitable share of the profits obtaining from violations of the eighteen amendment and such—Mr. Capone "certainly was sincere."

"The only difficulty is," stated Mr. Mattingly, "that he fears prosecution may follow any disclosures he may make while seeking this adjustment." Mr. Capone, who attended this conference in person, indicated that Mr. Mattingly took the words right out of his mouth.

Frank Wilson, special revenue agent from Washington, admitted that the fears expressed by Mr. Mattingly and his client were well grounded.

"Any statement you make," he said, "may be the subject of an investigation. Anything you say that can be used against you will be."

His Frankness Suffers.

Mr. Capone's frankness suffered a bit through this warning, but he went so far as to admit what had been previously admitted by Mr. Mattingly, that he had never filed an income tax return. He stated furthermore that he kept no books, had no checking accounts and carried no property in his own name.

"How long have you had a big income?" inquired Mr. Wilson.

"I never did have much of an income," replied Mr. Capone modestly.

Mr. Mattingly interrupted at this point to say—as has been previously set forth—that up to 1926 Mr. Capone had been working for Mr. Terrio represented in this case as a traveling employer, and had made very little money.

Mr. Wilson asked: "Did you furnish the money to buy your Florida home?"

"I'd rather let my lawyer answer," said Mr. Capone.

Mr. Mattingly contributed that Mr. Capone had furnished \$10,000 cash

"No." "What about your wife or relatives any?" "I'd rather not answer." "What did you do with your money?" "I carried it on my person." "Have you any connection with the Hawthorne dog track?" "I'd rather not answer."

Next Talk in 1930.

That ended that discussion. The next negotiation was opened on Sept. 19, 1930, when Mr. Mattingly came to Mr. Wilson's office and told him he was having difficulty submitting the facts of the taxpayer's (the words are Mr. Mattingly's) income.

"The taxpayer," he said, "fears that they may be used in a prosecution." Mr. Wilson promised no immunity, but did say that his office had nothing to do with prosecution.

So, the next day, Sept. 20, Mr. Mattingly arrived before Mr. Herrick with the lengthy document outlined above—the intimate story of the real Mr. Capone. And Mr. Herrick filed it away against the day when he could use it to send Mr. Capone to Leavenworth.

Bad News for Al.

It was generally believed by disinterested spectators about the courtroom that Mr. Capone might not survive were this story of his boyish struggle presented to the jury. And the defense attorneys seemed to take the same view of the matter.

Michael Ahern, of counsel for Mr. Capone, contended that Mr. Mattingly's letter was a privileged communication, submitted in a particular controversy with the government and therefore could not be used against Mr. Capone in another case.

Judge Wilkerson didn't think this was the case.

"You are wrong," he said. "A citizen (meaning Mr. Capone) who has violated a federal law cannot escape a federal grand jury simply by presenting facts to a subordinate of the treasury department. And the facts so submitted are not privileged as I see it. If a citizen comes to a government agent as in this case and gives income-tax figures to satisfy his full duties as a citizen under the law such an array of facts does not constitute a compromise and is not privileged."

"As I see it in this instance, the whole question is whether or not Mattingly's statements were duly authorized by Capone."

Mr. Ahern Declines.

Mr. Ahern showed signs of rising choler.

"But, your honor," he said in a loud, clear voice, "we have long fought for justice in the matter of taxes. Remember we had the Boston tea party."

"But this is not the Boston tea party," Judge Wilkerson reminded him.

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PER FOR PEOPLE WHO THINK

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Manager of Famous Miami Hotel Tells How He Signed for Al's Money

Telegraph Orders for Thousands Sent Under 'Costa'

Parker Henderson, manager of the Ponce de Leon Hotel in Miami, was called to the stand in the afternoon session of the trial as a government witness against Al Capone. He was questioned by Dwight Green, assistant district attorney. He related Capone's out in the courtroom and testified as follows:

Q—When did you first see the defendant? A—About the first part of January of 1935, at the Ponce de Leon Hotel in Miami. He was in the defendant's room.

Q—Who was present there at that time? A—I was called to the defendant's room by a Miami man named Clarence Thomas and I was introduced to a fellow named Nick Christie, a fellow named Di Grano and Mr. Capone. I was introduced to him as Al Brown.

Q—Under what name was the defendant registered at the hotel? A—Under the name of A. Costa.

TAKEN TO DINNER.

Q—Did you later go to dinner at the defendant's home? A—Yes, I drove over to Mr. Capone's car with Christie.

Q—Who was present at the home for dinner that evening? A—Christie's wife, Mr. Capone's wife, Christie, Mr. Capone, myself and I am not sure, but I think Daisy Capone and his wife were there.

Q—Did you see the defendant frequently thereafter? A—Practically every day throughout the entire winter.

Q—Were you during this time over at the defendant's home at the Ponce de Leon Hotel when he transacted any business? A—Yes.

MONEY BY WIRE.

Q—Did you ever handle any business transactions with the defendant at the hotel? A—Yes, I handled some wire money transfers for him.

Big Shots Fall Testimony on Capone Wealth

Testimony in Al Capone's income tax trial yesterday brought forth the names of numerous "big shots" in the gang and of the gang leader's intimate friends. Some of the "who's who" were:

HENRY (THE DUCK) JACKSON, owner of the famous Ritz Hotel at Tampa, and who was in the room with Capone on the night of the shooting.

Capone, he was also a close friend of the late "Dynamite" Joe Bonomo, until the latter's death; recently a bodyguard and "heavy man" for Capone, and one long ago ordered deported by the government.

JACK MOORE, former night-club machine gunner for the gang; a principal suspect in the Moran gang massacre on St. Valentine's Day, 1929.

JOHN TONELLO, associate in "Big Jim" Colomina's as boss of the underworld. Tonnello taught Capone the "ropes" and furnished the "guns" to him in 1928.

DANIEL BERNITTELL, who operated city dealer under Mayor Thompson.

JACK GUINN, business manager for the gang, how under indictment for income tax fraud.

ROCCO DE GRAZIA, bodyguard and "heavy man" for Capone.

NICK CRIVELLO, bodyguard and prime secretary to Capone.

The question of the "who's who" in the Capone gang was brought up by the government in its opening statement.

Large Amounts Used for Beautification of House

with reference to the property. A—Well, he paid me \$1000 to put up the house.

Q—Did he give you cash or a check or anything at that time? A—He gave me cash.

Q—How much for that?

Q—Any money paid later in connection with the beautification of the house? A—Yes, \$1000.

Q—Who paid it? A—He did.

Q—Where did you get the money?

A—I got it from Mr. Capone.

Q—How long did the property remain in your hands? A—Oh, for a period of about five or six months.

Q—Did you later execute any warranty deed in connection with transferring that property out of your hands? A—Yes, sir.

Q—To whom did the deed run that you signed? A—To Mrs. Mary Capone.

(The witness told of having kept receipts for various improvements on the Capone house, including the extensive pool, which cost \$1000. He also ordered the pool gates which appeared upon the steps during Capone's sojourn at Miami. Then the questioning of the witness took up his part in the case in Chicago.)

Q—DID YOU AT HOTEL.

Q—Now, tell us what you saw upon your arrival in Chicago? A—I got a taxi and went to the Metropolitan Hotel. I went up to the desk and asked to see Mr. Al Capone. I was told there was no one there by that name. I started to walk out and a fellow came up and asked me who I was and I told him, and he said, "Just a minute, I will carry you up."

Q—Did you have a conversation with the defendant when you arrived in Chicago? A—I told him I needed some money to pay some bills. He said he would get it for me. He paid all about \$1000 for me. He said he would get it for me.

Q—You mentioned having received some money from the student while you were here in Chicago and having told him that you

[Then followed identification of several telegraphic money orders sent by Henderson to his mother in Miami, with instructions to pay them to workmen on the Uganda property. This money Henderson

TAKEN TO DOG TRACK.

Q—Were you entertained in any way by the defendant while you were staying here in Chicago? A—Well, I had all my meals with the defendant while I was here, and I went out to the race track one night with his brother.

Q—You mean dog track where you say race track? A—Dog track in Cicero or Hawthorne.

Q—Did you occupy a certain room at that dog track? Tell me about

that box. A—It had the name Al Brown on the back of it.

(Photographs of Eugene Reed, name were then shown to the witness. He identified these as John Onda, Charles Patterson, James DeWitt, and another man, Ralph DeWitt, who had been spotted through his capture at the Chicago office of the Chicago Police.

Sentence Two Capone Aids in Grant Park Shooting

[illegible]

Kings and Smith Too Ill for Flight Home

LONDON, Oct. 2.—(U.P.A.)—Pilot of Wing Commander, Charles Kingsford-Smith for an attempted record flight from England to Australia went by the board today when his doctor forbade him to fly for three months because of nervous exhaustion and heart strain.

[illegible]

Henderson said he learned that

The witness said he acted as Capone's agent in making the improvements on the gangster's domestic site, told of paying out \$4,000 for a swimming pool, \$2,000 for a wall about 14 and 1939 for light fixtures.

When Hendon came to Chicago, he agreed to collect some unpaid bills owed by Capone, he said the gangster put him up at the Lexington

They bring up a lot of guys from Florida to tell how Snorky runs through the jack down there. Snorky is interviewed by the best people including the state's attorney, sheriff and chief of police. "What you doing in our back yard?" these fellows ask. But Snorky just says he came down to throw a little business their way and begins passing out 5 buck tips. And that is how Florida got over the depression.

I have solved the mystery of the disappearance of Charlie Ross, who is the famous corpse which has never proved. Because it was out shooting is registered at the hospital as Mr. Ross, and it is my belief that this is flying back to the

The hotel clerk says a room registered under the name of Brown. Asked who Mr. Brown is, he says: "Presumably Mr. Ross, and when they asked who Mr. Ross is, he says: 'Presumably Mr. Campbell' and this is a vicious circle."

Sherky was trying to buy an island and called Cai Koy, in the San Francisco bureau. But the owners wanted \$200,000 for the same and the negotiations fell through. I guess Sherky got world-weary and remembered how Robinson Crusoe got away from it all, and just wanted to get this island and go down there with Fred D'Andrea, his brother-in-law, and his wife, Mary Friday, and pass their old air reading and palm books and unfulfilled dreams to the natives.

They ask Wackerly where all the money went from and if it still is there.

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203. **Signature:** [Redacted]
204. **Date:** [Redacted]
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248. **Time:** [Redacted]
249. **Weather:** [Redacted]
250. **Remarks:**

1. 1990年12月15日，在北京市召开的中国城市经济体制改革工作会议上，江泽民总书记在讲话中，第一次提出“社会主义市场经济”的概念。

SATURDAY, OCTOBER 24, 1931

State's Attorney's Office Opens

15 INSPECTORS QUESTIONED ON FAULTY WORK

Declare Concrete Inspection
Service Is Undermanned;
Contractors Held to Bond

First steps to investigate charges that the city was defrauded of nearly \$800,000 on a million dollar street lighting contract were taken yesterday by the state's attorney's office. The charges were made public last September 14 by the Citizens' Association, which demanded indictments.

The contract called for installing 4,800 light posts and was awarded to the Electrical Contracting Company for \$1,081,000. This was the "low bid"—only one other bid having been submitted. This bid, the association charges, was made merely for appearance sake.

INSPECTORS SUMMONED.
In launching the inquiry, Assistant State's Attorney Homer A. Dodge summoned fifteen city electrical inspectors. They were questioned as to why the city permitted the type of installations revealed by examination of hundreds of posts selected at random. The examination revealed many of the posts were smaller than the specifications called for and that inferior concrete was used. In some cases city material was used—for which the city was charged.

The testimony of the inspectors revealed the "strange" situation of there not being enough inspectors on the job at one time and too many at another. The shortage lasted until the concrete was placed, Mr. Dodge was informed. When this part of the work was completed and relatively unimportant work remained, inspectors "checked" to the construction scene.

REFUSED MORE MEN.

Each of the witnesses related that during the concrete work he had as much to do that he could not inspect everything carefully. Chief Inspector Francis O'Donnell stated that he tried for more men, but his request was refused. Commissioner of Electricity Joseph J. Sullivan stated that the terms of the contract required that the work be completed by a certain date.

OPERA STARS WED



LYLE BOOM AS PROSECUT AT 6 P. M.

Entry Into Race For
Mayor Position, Boon
Emerson, 600, Cor.

By John W. Shanker
Municipal Judge John H. Lyle in the race for the F. was nominated the state's day was forecast last night. The group adopted the "Boon" Republican platform. The group aided him last night in carrying the word "Boon" to the voters. Lyle Thompson for the F. nomination for mayor.

RECORD FRAMED.
As announced by Secretary H. Hough, the resolutions of the group known "as the F. in this county as well as Judge Lyle to perform the of such an exciting office" pending his record H. urge to become a candidate.

The action of the ward group interpreted as the government formal announcement of his candidacy later.

"BOON" STARS COMMENT.
Two incidents in the Republican gubernatorial contest caused much in political circles yesterday. Politicians made much of the fact Governor Emerson booped at the Hawthorne race Thursday when his presence announced through the voting apparatus.

The other "hit" was that any General Cartwright was a rousing demonstration at a Decatur meeting of the Illinois publican Service Men's L. Delegates from thirty-two of the counties in the state were out.

Insurance Ra Traps Raid Susp

UNDAUNTED BY LAW—Dodge, Denny and McLean.
The former HMA Hopkins Bank on the east in New York on Dodge's arrival on the line. The bank was raided and the group are still searching for the money. The group are still searching for the money.

180

A PAPER FOR PEOPLE WHO THINK

10,000 City Light Fraud Investigation

Due to Halt Sale of \$12,264 Back Tax Properties

A PETITION FOR an injunction to stop County Treasurer Joseph B. McDonough from proceeding with the sale of property in default of 1929 taxes was filed in Circuit Court yesterday in behalf of the taxpayers.

The bill alleges seven points of illegality, among them charges that the properties were not offered for sale on the day specified; that there was no authority for the reassessment; that the board of assessors and reviewers failed to make public the assessment list, and that the reassessment was directed by politicians. The value of the property involved is \$12,264.

BLUE SPEEDS McERLANE HUNT

Speeding the hunt for Frank McErlane as the murderer of his wife was the discovery last night that Chicago's cruelest gangster was the only known hoodlum who was in the death car that carried his victim's body.

It is certain are police that it was McErlane who killed the woman and left her body in his bullet-riddled and blood-stained car Wednesday night, that they expect to find her intoxicated, still on the spot, which started before the murder.

TRACE FINGERPRINTS

Development of fingerprint photographs made from marks on the car was completed last night at the bureau of identification. Five different prints were found, but only one could be identified. That was McErlane's.

With this police abandoned the theory that Mrs. McErlane had been slain by gangsters in an attempt to kill her husband. All shots were fired from within the car, and one who entered would leave fingerprints.

SECRET MARRIAGE

The secret marriage of the gangster and Freda (also known as Freda Miller) was revealed by

TOADSTOOLS TAKE 3 LIVES; 18 POISONED

Ten Members of Two Families Here; Fatalities in Milwaukee and Toledo

(Picture on Back Page)

Ten persons, members of two families, were ill yesterday after eating poison mushrooms which were sons of one family gathered on a hike in the forest preserve.

Those ill are Louis O'Connell, 34, 324 S. Damsen av.; his wife, 44, and their five children, Marie, 14, Francis, 12, Joseph, 10, John, 8, and Arnold, 3. Mrs. O'Connell, 34, of 2560 W. Washington, place, Albert, 14, her husband, and Lore, 30, their daughter.

The O'Connell boys gathered the mushrooms, which the women tried for dinner, after giving some to the other family. Physicians at the County Hospital treated them.

TWO DEAD IN TOLEDO

TOLEDO, Oct. 4.—Two persons are dead and seven others are in hospitals critically poisoned from eating toadstools they believed to be mushrooms.

Mrs. Cora Chandler, 70, ate toadstools last Sunday, died tonight. Frank J. Martin, 31, died last Tuesday, but the cause of his death was not known until today. Mrs. Martin also became ill after eating toadstools, but recovered.

At East Side Hospital was a family of five, all seriously ill from eating toadstools Wednesday night. Matt Lockard, 30, his wife, Cora, 31, and their children, Mary, 10, Philip, 8, and Vaughn, 4, were found in their home today in a stupor which medical treatment has failed to alleviate. Vaughn is expected to die.

CONFISCATE TOADSTOOLS

MILWAUKEE, Oct. 4.—Police men to dead here and his wife seriously ill after eating toadstools which were purchased at a local market.

To avert further poisoning, the police have placed a ban on the sale of such mushrooms. The police have been advised that the mushrooms were

COSTLY RIDE



Dr. Joseph C. Cott

LOS ANGELES, Oct. 4.—An auto accident today that killed Mrs. Maria, 33, and her husband, 34, was a jury awarded the damages to Henry H. Oviatt, who was injured by a machine in which Mrs. Maria's husband's brother, Armand, was riding.

Sergeant and Nine Policemen Shifted

LOS ANGELES, Oct. 4.—The

NOTED SURGEON WARNS AGAINST CANCER QUACKS

Not on Surgery, Warns Dr. George C. Cott, Early Cures Cured

Dr. George C. Cott, director of Johns Hopkins Hospital, Baltimore, also stressed the point that early surgery, X-rays or radium are effective in treating cancer. He said the old-fashioned family physician could do more to aid in the fight against cancer by providing an early diagnosis. Patients would go to him with their first symptoms.

Treatment in the early stage before the cancer has been fully established results in cure in virtually every instance, Dr. George said.

EARLY CURES CURED

Dr. Joseph Cott Bloodgood of Johns Hopkins Hospital, Baltimore, also stressed the point that early surgery, X-rays or radium are effective in treating cancer. He said the old-fashioned family physician could do more to aid in the fight against cancer by providing an early diagnosis. Patients would go to him with their first symptoms.

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UNDER TUMOR CLINIC

Dr. Norman C. Crowell, director of clinical research of the American College of Surgeons, advocated the further establishment of tumor clinics, available to the public, to provide the best and latest benefits of cancer research.

The appearance of the three distinguished surgeons marked the beginning of the Louis A. Greenwald Memorial Lecture in the field of cancer, which was held at the University of Michigan. The lecture also marked the opening of the Greenwald Memorial Clinic.

Teachers' Pension

Wine Grapes Dealer Kidnaped by Pair

North Chicago and Whiting police early today were seeking Anthony Lalongo, 3828 Avenue M, a dealer in grapes, who was abducted by two men after they had robbed the company of a truck load of grapes.

Posing as customers, the two men, Henry Cambo, 6804 Ewing av., son of Lalongo's partner, Michael, to deliver the grapes to Whiting. Taking the truck from the youth, the two instructed Henry to return to his home.

As Henry was en route, Lalongo and Cambo Sr. were lured to Whiting by a telephone call that the boy had been hurt in an accident. There Cambo was beaten by the two and Lalongo kidnaped.

'Countess' Refuses to See U. S. Agent

His mission a mystery—Henry Tetlow, a federal operative, last night attempted to question Mrs. Lottie Brenner von Buelow, 5423 Sheridan road, at her home, but was denied admittance. Tetlow is understood to be investigating an alien smuggling ring here. Mrs. von Buelow has filed several divorce actions against Enrique Decker, who posed as "Count von Buelow."

Rob Street Car in Flying Hoax

A new technique in making street car conductors was employed by two bandits last night.

They used a roadster, one of them driving alongside the street car, the other hopping to the pavement, then onto the street car, reaching the conductor with a pistol, taking the money whipsaw, then hopping back to the roadster—all without stopping either vehicle.

Victor Carlson, conductor on a Lake st. car, lost \$15 in that way, and Jerry Stinks, conductor on a Grand av. car, lost \$10. Passengers were not aware of either robbery.

Lawyer Exonerated in Slapping Charge

Theodore Miller, former assistant state's attorney, was freed yesterday by Judge Hartigan when arraigned for disorderly conduct. The lawyer was charged with slapping Homer Ingalls, 10 N. Wells st., and growing him down stairs when he tried to serve a five-day notice on him.

Much Smarter With a Brim!



Much more youthful and much more becoming and very sporting on you. If you have never worn a brim, if you hope to wear a brim, if you want to look your best, come to the Young Moderns' Room at Field's.

Stitched. Soft felt with a darling ribbon. Sizes 21 to 22, only \$7.50.

JUNIOR MILLINERY, FOURTH FLOOR

Also all three Suburban Stores

MARSHALL FIELD & COMPANY

Week-End Specials

In the Candy Shop

Luscious fudge, creamy and chock full of nuts.

60c lb.

Crisp toffee made with almonds and filberts, rolled in chopped nuts.

85c lb.

Chocolates and bonbons as delicious as they look, caramels that melt in your mouth, nougats soft and toothsome.

2 lb. box \$1

In the Candy Shop First Floor

CARSON PIRIE SCOTT & CO

Advertisement

Scenarist Plots Jocelyn Into Court; It's a Riot!

The following information was obtained from the records of the Federal Bureau of Investigation, Washington, D. C., on the subject of the above-named individual:

He said he strolled out of the
"I'm going to see
that you go to the pen and go
there for keeps."
Hester signed complaints
against both men.

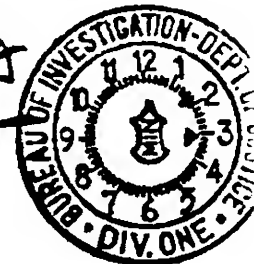
His more public tri-
-als were made by the
-jury, were during the reign



RECEIVED

U. S. Department of Justice
Bureau of Investigation

POST OFFICE BOX 1405
CHICAGO, ILLINOIS



OCT 7 1931 PM

October 6th, 1931.

PERSONAL AND CONFIDENTIAL.

AIR MAIL

Director,
Bureau of Investigation
Department of Justice,
Washington, D.C.

Dear Sir:

Inspector H.H.Clegg has informed me that in one of his conferences with United States Attorney George E. Q. Johnson, Chicago, Illinois recently, the latter recited that he had interviewed certain persons in Florida regarding the case entitled ALPHONSE CAPONE, Contempt of Court, who were never contacted by Special Agents of the Bureau of Investigation.

Please be advised that I have obtained through Special Assistant to the Attorney General William Froelich, a complete list of the witnesses who were subpoenaed in the above entitled case and checked same with the file in this office, with the result that all the witnesses who were subpoenaed had previously been interviewed by Special Agents of the Bureau of Investigation.

It appears however, that two witnesses, namely Charles Clarke, Special Agent, Bureau of Internal Revenue, Jacksonville, Florida, and Raymond Brown, attorney for the Bureau of Internal Revenue, Jacksonville, Florida, appeared voluntarily and testified. The names of these two individuals do not appear in the Bureau file.

Mr. Froelich informs me that Mr. Brown testified that he had seen subject in Florida on one occasion, and that Charles Clarke likewise testified that he is acquainted with subject Capone, and saw him in Florida on one occasion. Mr. Froelich recites that the testimony of both of these individuals was immaterial and irrelevant.

I have been endeavoring to obtain a transcript of the testimony of these two witnesses, but due to the present trial of subject Capone, on a charge of failure to make proper income tax returns, Mr. Froelich has been unable to obtain the desired data.

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69-180-87

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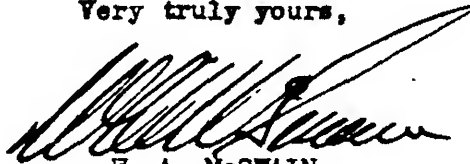
NATHAN
Dis. Thres. Tux

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Page 2.

I will continue my efforts to obtain a complete transcript of the testimony of the two witnesses mentioned above, and forward same to the Bureau.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'W. A. McSwain', with a large, sweeping flourish extending from the end of the name.

W. A. McSWAIN
Special Agent in Charge.

WAM:JMS

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Persecution in Empire House
 7 a. m. 11 arch
 Government Journal for Empire House
 (Oct. 12, 1935)
STERN HAND ON CAPONE

**JUDGE REFUSES TO DELAY CASE
 OF GANGSTER'S BODYGUARD**

D'Andrea Emphasizes the Carrying of
 a Weapon to Court Is Serious
 Matter and Must Go
 to Trial.

CHICAGO, Oct. 12.—Philip D'Andrea, the Capone bodyguard who carried a pistol into federal court in the income tax trial of "Scarface Al" Capone, was told in no uncertain terms today he was in serious difficulties. He was given until tomorrow to defend himself and meanwhile ordered held without bond.

"The federal court is not obliged to exercise its duties conferred by an armed man sitting next to a defendant," Judge James H. Wilkerson said sternly as D'Andrea was taken before him.

DEFENSE IN OLD PERSUIT

D'Andrea first asked for a few days in which to prepare a defense, but after the court said it would not entertain his request, for bail, he appeared unwilling to have his case delayed tomorrow.

The bodyguard's defense was expected to be that he was once given a shot and a pistol to carry a letter, as a deputy municipal court bailiff, and that he believed the permit still was valid, although the present chief bailiff said the star had been revoked.

D'Andrea was asked about the welfare of his chief that he carried his pistol with him Saturday as he sat at the counsel table behind the scar-faced gangster and only a few feet from Judge Wilkerson. On Judge Wilkerson's orders, he was stopped as he left the room, found to be carrying the weapon and taken to the court yard for the weekend.

ORDER TO CAPONE TRIAL

Capone, his income tax case delayed by the D'Andrea concern of court case and several others, was not in the court room. The gang leader's attorneys, however, did what they could for D'Andrea.

Albert Pink, defense attorney, suggested the matter be delayed until after the Capone trial had ended. He also said the jury should hear "all the facts." Judge Wilkerson said the court was not permitted to read newspaper accounts of the Capone case and knew nothing of the D'Andrea case. The judge held the bodyguard's case was an independent proceeding and he could see no reason why it should be delayed.

Michael Ahern, chief defense counsel, suggested there might be several questions of law to be argued, such as the possible illegality of the D'Andrea arrest.

Judge Wilkerson overruled the attorney's suggestion and said: "There appears to be no dispute of the fact that this man sat through the proceedings Saturday armed."

MOODY CAPONE IN COURT

Capone appeared after his bodyguard had been returned to jail and sat glumly at a counsel table while his private affairs were discussed before the jury. Today there was nobody behind the gangster except a group of reporters and a few dozen spectators. His two attorneys were busy making light of the government's testimony in his income tax trial. It was all old stuff to Capone—how he paid \$12,500 for a motor car, \$27.50 for a shirt, \$4.55 for a necktie—and the gang leader paid it no heed. He leaned heavily on the table, toed with a brief case and at times stared vacantly ahead of him.

For a man who never paid an income tax, the government attempted to show that Capone was considerable of a spendthrift. When he desired a motor car he ordered one especially made to suit his purposes and paid \$12,500 for it. When he ran short of shirts, he stopped in at a large loan department store, ordered a dozen custom made, at from \$18 to \$27.50 each.

FURNITURE FOR FLORIDA HOME

Furniture purchased in 1928 for the Palm Island, Florida, estate of the gangster cost \$7,289.15, and was promptly paid for, Jean Rieves, a bookkeeper, testified.

Guy C. Burton, the salesman who ordered Capone's custom built car in 1924, said the \$12,500 car was traded in and \$3,500 added for a new one two years later.

Two department store employees who sold the gangster his haberdashery said that when Capone bought himself some things he usually purchased some for the men who accompanied him.

Capone did not attempt, through his personal appearance, to refute his reputation for sartorial display. He wears a different suit almost every day. Today it was a dark violet shade with the sleeve cuffs turned up an inch or two.

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JUL 13 1972
 REPRODUCED ORIGINAL-REMAIN

Capone Defense May Be Concluded Today; Race Losses Related

Gangster's Bookmakers Testify
That Al Dropped \$262,000
on Horses; Torrio Present

By United Press
CHICAGO—Al Capone counted today on the weakness for gambling on horse races that cost him at least \$262,000 in six years to save him from the penitentiary.

His defense was a paradox. His attorneys had called witnesses to describe the gang leader as a colossal dupe of race track bookmakers as his trial on charges of income tax evasion in U. S. District Court swept toward conclusion.

Case May End Tomorrow

There was prospect that the defense would rest its case before noon. With four hours allotted to each side for argument, the case could reach the jury tomorrow.

Al Capone, owner of the gambling house, "gold mines" in Cicero with a yearly net of \$150,000 each, had been depicted in prosecution testimony.

Court Becomes Race Stand

Al Capone, sucker, who was hail fellow to the bookmakers, who placed four or five bets a day on each day of the racing seasons, bet as much as \$6000 on a single horse to win, and almost always lost, was pictured yesterday by the defense.

Federal District Court room took on the color of race stand and betting booth as a procession of bookmakers went to and from the witness stand. Their testimony was intended by the defense to show that while Capone was a plunging gambler and bet large sums, he lost consistently and had no wealth on which to pay income tax.

Good Credit Risk

None of the bookmakers could recall any of the "al. runs" on which Capone wagered from \$100 to \$6000 "on the nose." All agreed Capone was a good credit risk.

"I knew he was fair and honest in all his business transactions," said Gutter. "If he won, I usually took the money to him at the Metro-pole Hotel."

Besides the bookmakers, Pete Penovich, manager of Cicero gambling houses, that the prosecution contended belonged to Capone, took the stand. He pictured Ralph (Bottles) Capone, Al's brother, as the overseer. The prosecution, comparing his testimony with that he gave before the grand jury, attempted to impeach the witness.

Federal District Judge James H. Wilkerson reserved decision.

Whether Johnny Torrio, the man who brought Capone to Chicago in 1920 and started him on the road to gang dominance, would be placed on the stand by the defense could not be ascertained. Torrio sat with other prospective witnesses yesterday.

The Washington News
Oct. 15, 1931

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JUL 13 1972

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"NEWS WHILE
IT'S NEWS"

78th Year, No. 100

KANSANS

CAPONE BARES RACE LOSSES, THEN RESTS

Last Minute Moves to Strike Out Damaging Testi- mony Fail

By United Press.
FEDERAL BUILDING, CHICA-
GO, Oct. 18.—Al Capone's attorneys
rested his income tax fraud case at
noon today, after portraying him as
a race horse gambler who lost
\$250,000 or more.

A last minute motion of the de-
fense to strike from the record tes-
timony regarding Capone's alleged
gambling house revenues was over-
ruled by Judge Wilkerson.

Another motion to exclude the
testimony of internal revenue au-
thorities that Capone admitted
he had filed no returns and paid no
income tax also was overruled.

A third motion, also overruled,
would have struck out testimony
that Capone shouted, "I'm the owner

CAPONE-BURKE LINK IN BOUGHT IN MICHIGAN

MARQUETTE, MICH., Oct. 18.
(U.P.)—Michigan prison offi-
cials sought to link Al Capone
and Fred (Killer) Burke as un-
derworld confederates today after
identifying photographs of Philip
D'Andrea, Capone's bodyguard,
as those of a man who told
Bourke in his cell several months
ago.
Prison Warden James A. ...
said D'Andrea's photograph
after the bodyguard was arrested
on a concealed weapons charge at
Capone's trial.

*Jim
fish*



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JUN 18 1972

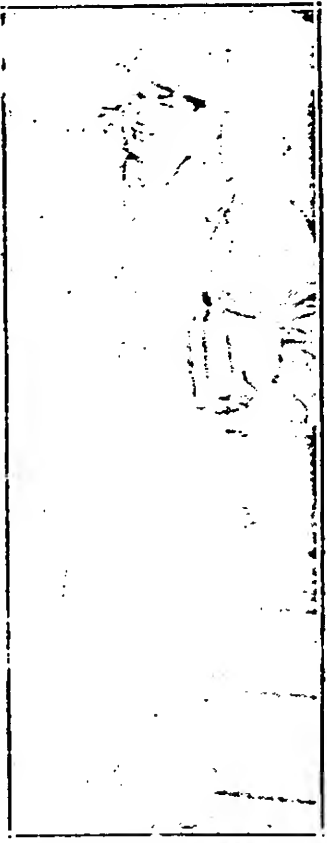
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Capone's Zero Hour Hears as Attorney's Begin Final Pleas

Capone Winks



Al Capone, Chicago gang lord, winked at the photographer who snapped his picture, shown above, which was taken after the defense had begun its effort to tear down the government's charges that Capone evaded income tax payments.

Jury Told They Have 'Privilege
of Putting Stamp of Disapproval on the Capone Gang'

By United Press

CHICAGO—The zero hour for Al Capone ticked nearer on the clock in Federal District court room today.

His attorneys wound up their defense yesterday and Asst. Prosecutor Jacob I. Grossman launched the appeal to the jury that opened the final attack of the government on the man it has sought for three years to imprison. Capone is charged with income tax fraud.

Grossman told the small town tradesmen on the jury:

Jury May Get Case Tomorrow

"You have the privilege of putting the stamp of disapproval on the whole Capone organization and the conduct of this defendant. Under the evidence, you can do nothing but find him guilty."

The jury may receive the case before noon tomorrow. Under the four-hour argument allotment to each side, the government should conclude and the defense get well started today.

Capone, described as a miserly despot and a florid playboy with wealth to throw away by the prosecution and by the defense as an "organization" handy man who got his hands on a lot of money and wasted it betting on second-rate horses to the tune of \$275,000 a year, is specifically charged with evading \$215,000 income tax.

D. C. Attorney Not Called

The case came to conclusion rapidly yesterday. Eight former book-maker pals of Capone testified that he lost a total of \$275,000 "playing the ponies." The defense tried futilely to obtain records of the grand jury testimony of Capone's Washington attorney, who admitted in a letter that the gang chief had a four-year income of \$265,000. Attempt to have Federal Judge James H. Wilkinson subpoena the attorney, Lawrence Mattingly, also failed.

At noon, exactly, Defense Atty. Michael Ahern interrupted a com-

pllicated legal argument and announced that the defense had rested its case. Few in the court room comprehended that Al Capone's unique defense, that he lost all his money betting on horses that never won, was completed.

Capone Yawns

Philip D'Andrea, Capone body-guard arrested for carrying a revolver into the court room, was scheduled to appear today before Judge Wilkinson on a contempt of court charge.

Capone yawned as his attorneys argued the complicated legal issues that may decide whether he goes to the penitentiary for a maximum of 32 years and pays \$50,000 fine.

WASH. DC.

Wash. DC.
Daily News
10/16/31



JUL 13 1972
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New Attorneys for And Against Capone Waged Court Battle

FOR and AGAINST

Albert Fink, associate counsel in Capone's defense, spoke 2 hours and 38 minutes by way of opening for Al. Fink is a man of perhaps 60 of florid countenance and booming voice. He is rather a big man, who wears a belt and no vest, and keeps hitching up his trousers.

Fink said Capone is a victim of a movement to punish him so that "public clamor" may be appeased. He said this trial is a matter that interests not only this generation, but will be of the greatest significance to generations to come. He said:

"The questions involved, gentlemen of the jury, are, first, whether or not there is any evidence—whether, in fact, there is any evidence at all that even rises to the dignity of hearsay evidence.

"The second question is the big question which you are interested in and I am interested in, and other generations are interested in, namely, if there be no evidence of guilt, can a jury be persuaded or 'coerced' into returning a verdict of guilty so that public clamor may be appeased."

Calls For Proofs

Fink asserted that to prove "willful evasion" of the tax law, the Government must necessarily prove that Capone had a gross income in excess of \$5,000, and that there was "willful evasion" to evade the tax and that the Government must establish that "willful" failure must be accompanied by intent to defraud.

Fink referred to the sentence of one year that Capone got in Philadelphia for carrying a concealed weapon. He said:

"I don't think if the man's name had been other than Alphonse Capone he would have got a day.

"He was released two months early because of good behavior. He was released on March 17, 1930, two days after his tax was due."

Fink said he classified the evidence into two parts, the test-

Samuel G. Clawson, a small, quiet looking man, who spoke in an even, dispassionate tone of voice, made the first argument for the United States of America when court opened this morning. Clawson is an Assistant Attorney General from Washington.

Capone, who was dressed in a light green suit, with socks to match and tan shoes and who seemed particularly dapper this morning, hunched his chair over closer toward the jury box as if he wanted to get a complete earful of the lawyer's remarks.

Rarely Raises Voice

Clawson rarely raised his voice. He attempted no forensics as he outlined the Government's case against Capone. He pointed out that the defendant knew he was guilty because in 1930 he gave Lawrence P. Mattingly, income tax lawyer of Washington, power of attorney to settle the Capone income tax difficulties with the Government.

Clawson went over the conference between Capone, Mattingly and representatives of the income tax department in Chicago at which Capone submitted he kept no books, had no property, maintained no checking account, and couldn't tell the Government what his income was. Clawson said:

"I think it most significant that at that interview, Mattingly said:

"I doubt if Mr. Capone can give you any detailed information as to his income."

Wash. DC. News
10/17/31

INDEXED

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Evidence Attacked

He attacked the evidence of Lester Shumway, former Cicero gambling house employee, one of the witnesses by whom the Government attempted to connect Capone with gambling profits.

"What are these men trying to do? Are they really trying to find this man guilty of tax evasion or are they trying to use this case as an instrument to put Al Capone away? And what are you, the jury, going to do about it?"

"You, the jury, are the only bulwark that can resist oppression in times of public clamor. Judges cannot do it. The power hasn't been intrusted to them.

"Don't let yourselves be drawn away from the truth by the claim that Al Capone is a bad man. He may be the worst man that ever lived, but there is not a scintilla of evidence that he willfully attempted to defraud the Government of the income tax as charged in the indictment. Capone may be all the newspapers charge him to be, but if he is, why have not these charges been proven against him?"

Betrayal Is Seen

Fink said that Mattingly betrayed Capone in the famous letter of September 20, 1930. The Washington tax expert was before the grand jury that returned the indictments against Al. Fink said:

"Is not that the most terrible thing you ever heard of, to take a man's lawyer before a Grand Jury about matters transpiring between the lawyer and a client?"

"There isn't a man on the jury, not a man in this court room, that can truthfully say that Al Capone willfully defrauded his Government because he was venacious or—

Admitted He Owed

Clawson insisted that during the conference of that time, Capone admitted that he owed Government income tax for 1926, 1927, 1928, and 1929. He said Capone always carried a roll of \$100 and \$500 bills—"a roll big enough to choke an ox, as one witness testified."

Al grinned slightly at that statement. Clawson added:

"Yes, when we tried to get from him an idea of his income, we had no help whatever from him. Why, when we asked him if he went under any other name than Capone, he said, 'Oh, no,' yet it has been shown here that he went under the names of Ross, Costa and Phillips."

Clawson scoffed at the contention that Capone lost his income playing the races.

"Even if he did lose heavily on the races, and spent money in other ways, he still had plenty left. Does anybody think that this man did not have a large income? Why the idea is ridiculous. Even a child would know better. If he had an income that called for paying to the Government substantial income tax."

Letter Transcript

Clawson read to the jury transcript of the Mattingly letter of September 20, 1930, in which Al's tax income expert admitted that Capone had a taxable income of \$266,000 for the years 1926, 1927, 1928 and 1929. He quoted with emphasis from the letter as follows:

"I (Mattingly) am of the opinion that his (Capone's) taxable income for the years 1926 and 1927 might be fairly fixed at not to exceed \$26,000 and \$40,000 respectively, and for the years 1928 and 1929, not to exceed \$100,000 per year."

Clawson said that if a man fails to keep records of his income, as Capone failed, he does so at his own peril. He said that the only tangible evidence concerning Capone's income was contained in the Mattingly letter. He added that if the Mattingly letter be ignored, there would be no way of getting at the income of Capone, "who doesn't want to talk."

"Money, money everywhere—that's all we've been hearing for the past week. Yet Capone had not a dollar for his Government."

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'PRISON? BAH! ME TO FLORIDA, SCOFFS CAPONE

Convicted Gang Chief Orders
Clothes for "Nice Rest" as
His Counsel Plans Appeal

By FREDERICK C. OTHMAN
CHICAGO, Oct. 17 (U.P.)

Instead of preparing for prison tonight, (Al Scarface) Capone parked up to go to Florida for a "nice, long vacation."

Although he was found guilty of enough income tax fraud charges to assure him a maximum imprisonment of 17 years and a top fine of \$50,000; that apparently worried him not at all.

IN COURT TUESDAY

Capone will appear in court Tuesday, when his attorneys will plead with Federal Judge Wilkerson for an arrested judgment. Whether the judge grants it, or whether Capone is sentenced immediately, he plans to leave next week-end for his estate on Palm Island, near Miami Beach.

Should he be sentenced, his lawyers merely will appeal his case and he automatically will be freed on the same \$50,000 bond which has kept him out of prison these many months on a contempt charge.

It was learned meanwhile that, while his case was being argued last week, while witnesses were telling about his gambling operations and his almost absurd expenditures for jewels and luxurious motor-cars, Capone even then was exhibiting his contempt for prison threats.

He called in a tailor to make two lightweight suits for use on Florida beaches. When the tailor appeared at gangster headquarters in the notorious Lexington Hotel, Frankie Rio, cohort of Capone, said:

"You don't need to be ordering fancy duds. You're going to prison; why don't you have a suit made with stripes on it?"

Capone replied:
"The hell I am. I'm going to Florida for a nice, long rest and I need some new clothes before I go."

RETURN ASSURED

"Scarface" will leave Chicago, the scene of his rise to illegal millions, via the beer, gambling and vice route, consequently, but eventually he will have to come back, and finally he must go to prison, prosecutors believe.

In addition to the income tax charges, which were settled in compromise fashion by a jury late last night, Capone faces 5,000 separate beer charges, preferred by Federal authorities.

WASHINGTON HEARLD

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MAIN EDITION

ONE: In Kansas City... 3 Cents
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MASK OFF CAPONE

Former Cashier of Gambling House Links Gangster to Underworld Operations.

\$150,000 "TAKE" IN YEAR

Government Presents "Key" Witness Who Helped Send Gutzik to Prison.

CASE OF BODYGUARD WAITS

Testimony Tightens Government's Net Around Racketeer for Tax Evasion.

Bulletin.

(By the Associated Press.)

CHICAGO, Oct. 12.—The government completed its testimony late today in the income tax case against Alphonse Capone.

(By the Associated Press.)

CHICAGO, Oct. 13.—The profits of an alleged Capone-owned gambling house were \$150,000 in 1927, a former cashier testified in Al Capone's income tax evasion trial today.

Fred Ries said the gangster was a frequent visitor at the gambling house and always went to the private office. The profits were turned over to Jack Gutzik, whom Capone had described as his "financial secretary."

Ries is the witness who was sent on trip to South America to "hide" where the trial started. He was the principal witness in a similar trial which resulted in a 4-year sentence for Jack Gutzik.

A Dive Without Competition.

The gambling house of which Ries was cashier was the same one which figured in earlier testimony. Several witnesses who once conducted a raid on the house said Capone met them at the door and announced, "I own the place."

Although it moved frequently, the gambling house was an almost continuous operation in Cicero under various names, such as the "Smokes Shop," the "Subway," the "Ship" and the "Radio."

Ries said it had no competition in the western suburb.

The management was changed in 1927, Ries said. Ralph Capone, brother of the scar-faced gang leader, told the employees "Pete" Funovich had taken charge. Ries testified that the next day Jack Gutzik told him (Ries) "not to turn over money to anyone but himself or somebody he sent—not even to Al."

He saw Capone and Gutzik talking in

PONE

GANG CHIEF'S LEGAL STAFF IS SURPRISED

Additional Time Asked to Prepare Defense at Tax Trial

CHICAGO, Oct. 12.—The legal staff of Alphonse Capone, charged with income tax evasion, today asked the court for additional time to prepare his defense at his trial.

The motion was made by the chief counsel, James J. Mahoney, who said that his client had been "surprised" by the government's case.

The last testimony, that of Fred Ries, who testified that Capone was a frequent visitor at the gambling house and always went to the private office, was the principal witness in a similar trial which resulted in a 4-year sentence for Jack Gutzik.

"We would like a little more time to prepare our defense," Mahoney said. "The prosecution has shown us the nature of its case, but we need more time to prepare our defense."

The court granted the motion, and the trial was adjourned until tomorrow.

The government's case against Capone is based on the testimony of several witnesses, including Ries, who testified that Capone was a frequent visitor at the gambling house and always went to the private office.

The trial is expected to continue for several more days.

These witnesses... charged the government with income tax evasion.

These witnesses... charged the government with income tax evasion.

These witnesses... charged the government with income tax evasion.

These witnesses... charged the government with income tax evasion.

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These witnesses... charged the government with income tax evasion.

These witnesses... charged the government with income tax evasion.

These witnesses... charged the government with income tax evasion.

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anyone concerning war crimes.
The man was talking to Capone
about the war, making the gangster
laugh. A newspaper story which said
Capone had won 1 million dollars on
the stock market caused a strong
reaction. The man said Capone was

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City Times.

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CAPONE, SIDE NOW

Government Gives the Gangster a Jolt by Suddenly Completing Its Case.

DEFENSE DELAY DENIED

The Court Tells Al's Counsel to Be Ready at 10 o'Clock This Morning.

MAY OFFER NO WITNESSES

However, It Is Hinted That Several Gangsters Will Be Put on Stand.

(By The Star's Licensed City Service.)
CHICAGO, Oct. 12.—Al Capone's income tax evasion trial moved swiftly and dramatically toward its conclusion today.

After five government witnesses had been heard before the jury in Judge James H. Wilkerson's courtroom, the prosecution suddenly closed at 2:30 o'clock in the afternoon.

The defense, caught by surprise and unprepared to put on a case, pleaded for delay, which was granted until 10 o'clock tomorrow morning. A motion for a directed verdict for the defendant was overruled by the court, and was considered so hopeless by the Capone attorneys that they did not even argue it.

May Be No Witnesses.
Whether witnesses would be presented tomorrow in Capone's behalf was uncertain tonight. In his plea for several days' delay to permit the defense to get witnesses from Washington, New York and elsewhere, Albert Pink said that if this was denied there might be no evidence offered in the case. The long delay was denied, but Michael Ahern, associate defense counsel, said several gambler witnesses from Chicago probably would be put on the stand.

The only indication of the nature of the defense was given in the disclosure by Capone's attorneys that the witnesses in mind were gamblers.

It has been their contention throughout the trial that while Capone was a gambler, that it has not been shown that he was in the gambling business in the sense that he made a living from it.

It is to be shown in the defense case that Al Capone was a gambler, and that he made a living from it.

77X7

was uncertain tonight. In his plea for several days' delay to permit the defense to get witnesses from Washington, New York and elsewhere, Albert Pink said that if this was denied there might be no evidence offered in the case. The long delay was denied, but Michael Ahern, associate defense counsel, said several gambler witnesses from Chicago probably would be put on the stand.

The only indication of the nature of the defense was given in the disclosure by Capone's attorneys that the witnesses in mind were gamblers.

It has been their contention throughout the trial that while Capone was a gambler, that it has not been shown that he was in the gambling business, in the sense that he owned an institution which made profits upon which the government had a right to share in the way of taxable income.

Jury May Get It Thursday.

Long arguments are in store for the jury. Pink said it was such an important case in his estimation that he wanted to talk ten hours about it. Ahern also intends to talk. And there are four government attorneys ready to talk. The prospect is that the time will be limited to about four hours on each side, thus ending the case sometime on Thursday.

The government closed its case without putting Johnny Torrio or any other notorious gangsters on the stand. They filed this policy at a two-day conference and it was George E. G. Johnson, United States district attorney in person who announced the decision of the prosecution in the first words he has spoken in court since the trial began.

There was a surprised huddle of attorneys in front of the judge's bench, and Capone leaned forward, drinking in every word, while the jury was absent from the room.

Pink complained he had never had the proper time to prepare a defense as the government had never given him a bill of particulars or disclosed the nature of the evidence against the defendant until the trial had developed it. He wanted a "few days" to prepare.

But 10 A. M. Is the Limit.

The judge said that 10 o'clock tomorrow morning would be all he could grant. Ahern asserted there had been no proof of income shown by the government.

"Of course, if you felt that way there is very little to the case against the defendant," said the court, smiling.

Ahern then said the defense might want to put in proof on instant. Pink said he had an important witness in New York "on the question of income" mentioned by the defendant in the statement of the only business which has been claimed in this case. Another witness was in Philadelphia, another in Washington, maybe.

"I said Pink is sure he'll get this witness in Chicago at 10 a. m. tomorrow, or at 11 a. m. or the best I can."

The court smiled, "now we run on the clock and the court finally said that the case should not go on to the jury until the next day."

The court then said that the case should be put off until the next day.

Judge Merrill E. Otis's decision finding the Ukiah Grape Produ Company guilty of violating the prohibition laws "goes for the wine bricks, too," according to Thomas J. Layson, an assistant United States district attorney.

The "wine brick" product, which is offered as potential nucleus for wine with a "real kick" after certain processes have been carried on by the purchaser, is backed by interests that have retained Mabel Walker Willebrandt, formerly an assistant United States attorney general in charge of prohibition enforcement.

"If Ukiah is guilty, then the wine bricks also are illegal and contraband," Mr. Layson, who handled the government's case in the Ukiah prosecution, asserted.

WANTS TO SAVE CAPONE

SNEERS AND ORATORY MAKE UP DEFENSE ANSWER TO EVIDENCE.

Downsells Hoodlum as Citizen Persecuted for Public and Calls on Jury to Uphold "Constitution."

(By the Associated Press.)

CHICAGO, Oct. 16.—The government was charged by Al Capone's attorneys today with attempting to convict the gangster on charges of violating income tax laws "only to appease and respond to public clamor."

Albert Fink, pleading the gang chief's case in final arguments before a federal jury, said the "big question" to be decided was whether a jury could be "persuaded and conned" into returning a verdict of guilty, without sufficient evidence, but to satisfy the "supposed public excitement."

AN ANSWER "FOR GENERATIONS."

"This is the question which interests not only this community and this generation, but future generations as well," Fink said.

The jury had just listened to government prosecutors say "not even a child" could doubt that Capone had a huge income and that the evidence left no doubt that he had tried to conceal his income and evade taxes.

Fink told the twelve men, most of them farmers and elderly business men, that he did not need to "waste much time on the evidence," which he said did not even rise to the "dignity of hearsay evidence of guilt." He stressed the fact "the presumption of innocence is affirmative evidence in favor of the accused."

Capone was pictured by Fink as a citizen who made "unusually vigorous" attempts in 1930 to pay his income tax. Such conduct, the attorney said, "is a mark of a citizen of good character."

ING PLEA CASE MAY REACH JURY TOMORROW

Capone's Plea

Final Argument

Before Jury



Capone's Plea

Final Argument

Before Jury

CHICAGO, Oct. 16.—

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Capoue was pictured by Fish as a citizen who made "repeated attempts" in 1950 to pay his income tax. Such conduct, the attorney said, makes unreasonable the charge against him of being guilty of a "willful failure to file an income tax return, with intent to defraud the government."

THE AT PHILADELPHIA

"In 1935 Capone was put in a Philadelphia jail for carrying a revolver," Funk said. "Guns probably never were carried in Philadelphia before and they probably wouldn't arrest anybody but Alphonse Capone for it, anyway."

"March 17, 1939, two days after his income tax report was due, he immediately took steps to get in his report, even got an attorney to help him. Some of the statements made by that attorney to the government investigators were used as evidence against Capone in this trial."

The attorney to whom Fink referred was Lawrence P. Mattingly, who wrote a letter to the Internal Revenue department estimating Caspary had an income of \$100,000 a year in 1928 and 1929.

MAKING LIGHT OF A POWER

Pink read from the court records that Mattingly's letter was dated March 23, 1939, six days after the gangster's release from prison. He decided a statement by the government that Johnny Torrio, Capone's predecessor as Chicago's gang chief, aided Capone in obtaining information concerning income tax matters.

"The government would have you believe," Pink said, "that Caspore went to Tuzo's home in New York directly on his release, conferred with him, and received the suggestion that Mattingly be retained to assist him. Caspore returned immediately to Chicago from Philadelphia. Anyway, why should the fact that Mattingly also was Tuzo's attorney mean anything to us?"

Explaining there are twenty-four separate counts in the indictment, the attorney told the jury. "You are not obligated to return a verdict of guilty on all counts, even though you may be convinced he was guilty on

...the only way of preventing the
...an attempt to evade
...the government.
...to get the just wages
...in an attempt to show
...for a day or two
...the interest in the subject that
...such approach as this.

[illegible]

1960



CRIME

"Who Wouldn't Be Worried?"

Flashlighted in Chicago's crowded Federal Court last week. Guards banged shut the doors. Beginning was the decisive battle in the Federal Government's long campaign to put Alphonse "Scarface" Capone in prison. For three years the Government had waged its campaign, spent over \$495,000 on it. For almost as long Gangster Capone had been trying to sidestep charges that he failed to pay a Federal tax

on \$1,038,654 income during the years 1924-29. Now Scarface Snorky was on trial.

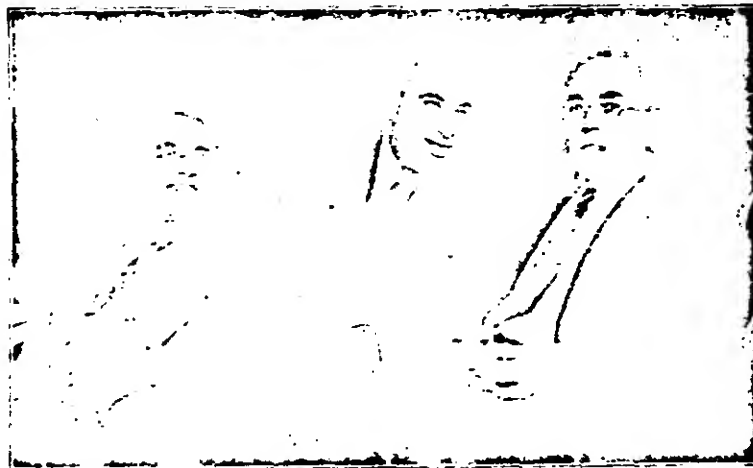
The Judge was bushy-browed James Herbert Wilkerson, no friend of Capone. It was he who, two months ago, exposed and repudiated a "deal" between prosecution and defense attorneys whereby Capone was to plead guilty to tax evasion in return for a recommendation that he be given a light sentence. In court Capone's attorney had asserted that the agreement was approved by Attorney General Mitchell and "an Assistant Secretary of the Treasury." In Washington the Department of Justice had admitted approving this deal, insisted it a procedure was customary. Undersecretary of the Treasury Ogden Livingston Mills had denied knowing anything about it. Judge

Jack Gusick, a Capone lieutenant, had been given five years in prison; other important gangsters were behind the bars. Signed Scarface Snorky.

"Who wouldn't be worried?"

The Prosecution was headed by soft-spoken, wild-haired U. S. District Attorney George Emmerson Q. (for nothing) Johnson. Field marshal of the Government's forces seeking to break up gang rule by the left-handed method of jailing gangsters for tax evasion, his success would be measured by his ability to dispose of Capone. Frankly disappointed when the "deal" fell through, he was now excited, eager, mysterious. So far he had kept secret the list of his "surprise" witnesses.

The Defense had wanted that list. Long had adroit Lawyer Michael Ahern protected Capone's legal interests, kept



Keystone

COUNSEL AHERN, CLIENT CAPONE, COUNSEL FINK

Mr. Fink: "Oh, my conscience! Nailed to the cross!"

Wilkerson had upset the plans by declaring: "The court will listen to recommendations, but it is utterly impossible to bargain with a Federal court." Then he had allowed frightened Capone to change his plea to not guilty, had sought—and failed—to have a grand jury indict him under the Jones ("5 & 10") Law for violation of the Volstead Act (TIME, Sept. 21 et seq.). Leaving off his judicial robes, Judge Wilkerson leaned over his desk in a business suit, showed that he took more than a passing interest in the case.

The Defendant was sweating, uncomfortable. For the second time in his life he was uncertain of "beating the rap" (staying out of jail). If convicted he might be sentenced to 32 years in the penitentiary, fined \$50,000. Before him he had the example of his brother Ralph ("Bottles") Capone, who had been sentenced to three years in Leavenworth on a similar charge (but had obtained a stay of mandate until Oct. 30 to file an appeal).

*First time was in 1920 when Capone was tried and convicted in Philadelphia for carrying a pistol. He spent ten months in jail, his only prison term to date. But underworld legend says he went to jail that time on purpose, to avoid being assassinated in Chicago.

him out of serious trouble (TIME, Sept. 21). He, too, had been disappointed when his client had to stand trial. Well he realized that this was his hardest case. To assist him he had owlsh Albert Fink, whose jovial voice was frequently heard exclaiming: "Oh, my conscience!" Mr. Ahern was irascible, objected to crowding by

The Press, which was having a field day. Local papers covered the trial from all angles; out-of-town papers sent special writers. Hearstpapers, evidently considering it a better spectacle than the World Series (see p. 22), sent Collyumist Damon Runyon, who began by interviewing Capone in the grandest manner: "I found Al Capone at Colosimo's restaurant. . . . Other newshawks reported the details of Capone's attire from tie (blue-striped) to fedora (white), noted the fact when he changed his suit (blue to grey). Gaudiest phrase of the trial was coined by the New York Evening Post's correspondent, Michael W. Straus, who referred to Cicero's gambling houses as "gold-belching pits of evil." The Press soon became interested in

The Jury: one farmer, two retired mer-

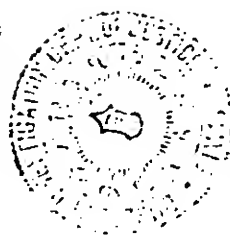
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chants, a country grocer, two painters, a real estate dealer, an insurance salesman, a clerk, a lubricating engineer, an abstractor, a wood patternmaker out of a job. All were more than 45; all but one were rustic. Mr. Ahern did not like the jury. Judge Wilkerson stated: "Nothing is to be decided except whether this man evaded and attempted to defeat these taxes." He overruled most of Capone's objections, quickly filled the box. Most of the jury immediately began to show signs of sleepiness. The grocer, A. E. Maether of Prairie View, alone was all attention.

For the Prosecution, first star witness was Rev. Henry P. Hoover, Congregationalist minister of Berwyn, Chicago suburb. He knew a good deal about the "gold-belching pits of evil." As a member of the Western Suburban Ministers' Association he took part in a raid in 1925 on a Cicero gambling house. Telling about it, Minister Hoover's eyes flashed, his tight lips bit off his words: "I looked behind the partition and I saw this man [Capone] taking money from the till. He was stuffing it in his pockets. Someone . . . said, 'Who is this man?' and he said: 'Al Brown. Is that good enough for you?' Then Mr. Capone said: 'Why are you fellows always picking on me?' . . . Reverend," he said, "why can't you and I get together?" I said: 'What do you mean?' He answered, 'If you'll let up on me here in Cicero I will withdraw from Stickney.'"

Scarface Snorkey snorted, as though everybody must know he had never used a two-syllable word where a one-syllable word would do.

Chester Bragg, another raider, said Capone had broken into a place while it was being raided. "I asked him: 'What the hell do you think this is, a party?' and he said, 'I'm the owner of the place.'" Immediately after the raid, Raider Bragg's nose was broken with a blackjack.

The Government, considering Capone's ownership of gambling houses proved, set out to show how he had spent the returns, holding that large expenditures would prove the existence of a taxable income. While Snorkey dug a stubby forefinger into his right ear, letters were read from Lawrence P. Mattingly, Washington income tax attorney retained by Capone in 1930, to show that Capone offered to compromise with the Government and pay a delinquent tax on \$225,000 for the years 1926-29. Capone, the letters showed, got one-sixth of the income from his syndicate's operations. As the letters were read over the strenuous objections of Snorkey's attorneys, who maintained a lawyer could not "confess" for his client, Attorney Fink heaved a sigh. "Oh, my conscience!" he sighed. "They've got him nailed to the cross now!"

Witnesses from Florida said Capone had spent \$40,000 for his Palm Island home, \$100,000 to improve it, swore to a \$6,500 meat bill, a \$2,655 hotel bill, a \$9,000 telephone bill, secreted he distributed \$5 tips and spent thousands of dollars on cakes and macaroni. Prize Miami witness was one H. F. Ryder, a garrulous car-

penter whose \$1.01 bill had been paid by "Mr. Al—Mr. Capone—the gentleman there." Witness Ryder said Capone's friends "gave me a sandwich sometimes," thought "Mr. Al was a mighty fine man," even though he still owed him \$125. He told of being paid \$250 from "a roll that would choke an ox"—as big as Judge Wilkerson's fist. "There were money wrappers by the handful around the place. All marked \$1,000."

Scarface Snorkey had grown glummer & glummer, angrier & angrier. He scowled at Carpenter Ryder, whispered with his lawyers, mopped his brow. The jury had waked up, was following the testimony with wide-eyed interest. Leaving the courtroom one day Snorkey and his bodyguard, Philip D'Andrea, brushed aside Federal Judge Walter C. Lindley to get into an elevator. Two days later D'Andrea was arrested, searched in the corridor by Secret Service men before gaping policemen, charged with carrying a concealed weapon (.38 calibre revolver). D'Andrea showed a badge reading "Deputy Bailiff of the Municipal Court" was told it was no good. Capone rivals began a war of succession, killed one James L. Quigley, minor gangster.

TIME

10/19/31

page 2

CAPONE JUDGMENT HEARING DELAYED

**Motion Scheduled to Come Up
Tomorrow Is Continued
Until Friday.**

By the Associated Press.
CHICAGO, October 19.—Federal Judge James H. Wilkerson today granted counsel for "Scarface Al" Capone a continuance until Friday on the hearing of their motion for an arrest of judgment in his recent conviction for income tax violations. It was to have been heard tomorrow.

The next move in Capone's fight to keep out of the penitentiary as an income tax violator is up to the gang chief himself, and his attorneys have indicated it will be a motion for a new trial.

The maximum sentence for the scar-faced gangster, who has bossed Chicago's underworld for 12 years, is 15 years' imprisonment and fines totaling \$50,000. The highest sentence ever given out in the reported taxpayer-income tax cases, however, is five years against John George Capone & No. 1 helper.

The jury found Capone guilty on five of the 23 counts in two indictments charging him with income tax evasion. Defense attorneys said that in the jury's selection of the 23 counts are "unusually good grounds for appeal."

Calls Verdict Conflicting.

Attorney Albert Rink for the defense said he believed the verdict to be "conflicting" and that Capone should have been acquitted of all the counts. He was denied a motion for an arrested verdict immediately after the verdict was announced, but indicated he will renew the motion today.

The jurors found Capone guilty of evasion of taxes during 1925, 1926 and 1927, and also convicted him of failure to file tax returns in 1925 and 1929. The charges in the first three years constitute felonies and in the later years misdemeanors.

Legal authorities said that if Capone's attorneys desire to take the case into the higher courts they could delay his entrance into prison for two years, even if in the end the verdict is sustained. Such delay has occurred in income tax cases against other gangsters, including Capone's older brother, Ralph, they pointed out.

Capone appeared to be not displeased with the verdict. He rushed from his headquarters at the Lexington hotel to the court place when informed the jury had reached a verdict and appeared to find endorsement in the attorney's statements immediately after it was returned.

He smiled broadly when Assistant
(Continued on Page 2, Column 1)

CAPONE'S ARREST OF JUDGMENT MOTION TO COME UP FRIDAY

(Continued From First Page.)

United States Attorney Jacob I. Grossman said he believed the verdict might be "inconsistent." After Grossman had conferred with his colleagues and announced the verdict acceptable to the Government, he immediately started out of the court room.

The "inconsistency" apparently referred to the fact that Capone was being convicted of failure to file a tax return in 1928 and 1929, but not of income tax evasion for that year. It was recalled, however, that he was in a Federal prison for carrying a concealed weapon during most of 1927.

Even should the gang chief escape prison on the income charges, however, he still is in serious trouble with the Federal Government. Another indictment charges him with liquor conspiracy and cites 5,000 separate violations.

Judge Wilkerson already has sentenced him to six months in jail for contempt of court, resulting from the gangster's failure to answer promptly a summons to appear before a grand jury. Capone claims he was ill at the time and has appealed the sentence, but the Government charges he was attending horse races and prize fights daily.

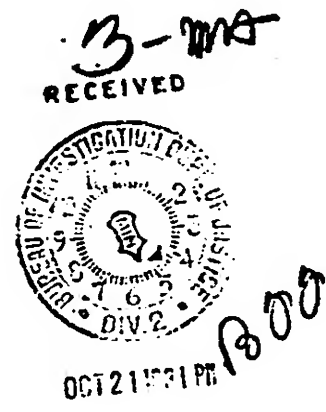
If Capone remains out of prison for two years, it was pointed out today, Chicago gangdom will not lack for a capable leader. Even though Capone does enter a cell in 1933, Frank Nitti, his business manager, would have completed serving an income tax sentence by that time and would be ready to assume Capone's dictatorship.

Capone is the seventh Chicago gangster to be charged by the Government with income tax violations. All the other cases have resulted in either convictions or guilty pleas.

Paul D'Andrea, Capone's bodyguard during the trial, went back to a cell for three more days after his counsel asked Judge Wilkerson for extended time to prepare a motion for dismissal of the contempt action against him.

D'Andrea has been in Federal custody since the Capone trial session of October 10, when he was found carrying a pistol as he left the court room. He was cited by Judge Wilkerson to show cause why he was not in contempt of court.

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Washington D.C.
Star
10/19/31



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Capone has so often been an easy victor that he may have been a little careless about getting into a new kind of a fight.

Capone's Conviction.

Conviction in Chicago of Alphonse Capone of violation of the Federal income tax law may perhaps be viewed as a "triumph of justice," in that it is a step toward the imprisonment of a man who has defied the law brazenly and brutally, and has lived by crime and grown rich by murderous handiwork. But it is none the less a sad reflection upon the State and the city in which he has practiced his thieving, murderous profession. It is a travesty upon the law that apparently the only way in which this marauder, gang leader, assassin by proxy, racketeer and blackmailer can be reached for punishment is through the technicality of trifling with the statute which requires a statement of income for purposes of taxation.

Capone's guilt of the charge brought against him in this case was virtually confessed in his unsuccessful efforts to "adjust" his taxes. The fact that he enjoyed an enormous revenue from his various crooked and criminal enterprises was patent and there was no dispute as to his failure to make return to the Government. Yet even in this trial, which seemed to be merely a formality, effort was impudently made to deny that the revenue was "legitimate," on the ground that it was from gambling and furthermore that a great part of it was squandered in losing bets on the horses. Now Capone's attorneys are making a motion to set aside the verdict on the ground of inconsistency—based upon the fact that he was acquitted of some of the charges but convicted of others of a similar nature—and when this motion is denied, as it

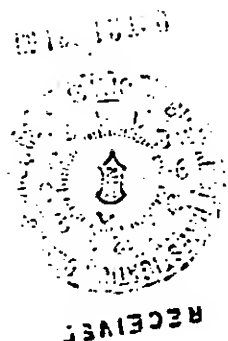
presumably will be, they will take an appeal and so endeavor to prolong the case, leaving the hideous creature at liberty for an indefinite period, sneering and grinning at the law in contemptuous defiance.

The shame is that Chicago has not caught this brigand in its own legal net and long since sent him to his deserved punishment. The shame is that the State of Illinois has not handled the case of a common felon. The shame is that the law has failed utterly to cope with the creature whose hirelings have slain and robbed and mutilated offenders against his own band's rule. No matter how satisfactory will be the eventual incarceration of Capone in a Federal prison for the failure to make an income tax return, as a technical means to the end of getting him in jail, there will remain the sense that the law has failed.

Washington DC Star 10/19/31

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JUDGE DELAYS CAPONE'S TRIP TO MIAMI HOME

Wikerson Defers Gang Chief's
Next Appearance in Court;
Bodyguard Returns to Jail

By FREDERICK C. OTHMAN
CHICAGO, Oct. 19 (U.P.)—Federal Judge James H. Wikerson ruined Alphonse Capone's Florida vacation plans today by deferring until Friday the gang chief's next appearance in the court where he was convicted of evading the income tax.

Judge Wikerson also sent back to jail Capone's best bodyguard, Tom Flanagan, who had been held in Federal court a week ago with an automatic revolver under his left arm.

HUNT STILL ON

There is more a bad day even worse, Capone learned that the Government still is pressing its battle to get together assets to pay the \$50,000 tax bill the Department of Internal Revenue holds against him.

Now Capone will have to go to prison eventually for a maximum of 11 years, but if he pays a portion of the \$50,000, said prosecutors, but he will have to settle the tax bill that Uncle Sam so far hasn't been able to collect.

The Government would like to get the \$50,000 in cash, but if that's not forthcoming, then Capone's property will do just as well.

His property includes, according to evidence last week at his trial, some extra fine suits of silk underwear, a Chinese rug, two score vivid neckties, some jade elephants, three custom-built automobiles, with bulletproof windows and about a dozen overcoats, all equipped with "extra large right pockets."

MAY GRAB MANSION

If the Government agents impound all that property and find that it's not worth enough to pay Capone's tax bill, they hope to confiscate his \$40,000 mansion at Palm Island, near Miami Beach, Fla. If that's still not enough, then they plan to investigate further his investment in breweries, distilleries and gambling houses. A fair to middling roulette wheel, it develops, is worth \$2,500 itself.

Capone was worrying about all that while he went ahead with his packing in anticipation of leaving immediately for his Florida estate.

He had believed the judge would sentence him to prison tomorrow, whereupon he would have appeared, obtained his release on bond, and left at once for the South. But the judge deferred the sentencing until Friday, upon request of defense Attorney Michael Ahern.

The Washington D.C.
Herald

10/20/31

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OCT 21 1931

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Another Shattered Idol

The recent "unveiling" of Al Capone in the Federal Court in Chicago must have been a shock to those who pictured "Public Enemy No. 1" as a bold, bad man, rough and tough to the core.

The city and State governments of Chicago and Illinois had never been able to penetrate the outer layer of the famous sportsman, but the Federal Government authorities went right down to Capone's skin—and next to it they found dainty garments of pink silk.

Imagine the consternation and amazement of the vice lord's tough followers when the Federal authorities removed—figuratively, of course—Capone's \$150 suit, his expensively monogrammed shirt, unhooked his \$275 belt buckle and left the mighty czar of Cicero standing in a court room arrayed in his costly pink frumpies.

For this had his cohorts struggled, for this had they faced the machine guns and shot gun fire; for this had they run whiskey and beer.

Another idol tottered and fell when those intimacies were revealed.

YAR

Washington Times
Oct 19 1931

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204

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1909

CLASS OF SERVICE

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WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

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DL - Day Letter
NM - Night Message
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LCO - Deferred Cable
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1931 OCT 15 PM 5 29

DIRECTOR OF INVESTIGATION DEPT OF JUSTICE=

WASHINGTON DC=

AGENT BRENNAN PROCEEDING SPRINGFIELD ILLINOIS TONIGHT
RESPONSE SUBPOENA STOP AS EVIDENCE CAPONE CASE CONCLUDED
BELIEVE FURTHER PRESENCE BRENNAN HERE UNNECESSARY STOP
UNLESS ADVISED CONTRARY WILL INSTRUCT BRENNAN PROCEED
STLOUIS FROM SPRINGFIELD=

MCSWAIN.

69-170 69-186-88

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OCT 17 1931

WESTERN UNION MESSENGERS ARE AVAILABLE FOR THE DELIVERY OF NOTES AND PACKAGES

Mr. Nathan
Mr. Tins
Mr. Three
Mr. Seven RCR

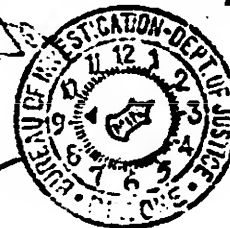
JUL 13 1972

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U. S. Department of Justice
Bureau of Investigation

P.O. Box 1405,
Chicago, Illinois

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OCT 21 1931

October 19, 1931.

PERSONAL AND CONFIDENTIAL

OCT 21 1931 P.M.

DEPARTMENT OF JUSTICE

FILE

Director,
Bureau of Investigation,
Department of Justice,
Washington, D.C.

Dear Sir:

Supplementing my communication of October 6, 1931, relative to two witnesses, namely Charles Clarke and Raymond Brown, who voluntarily appeared and testified in connection with the case entitled "Alphonse Capone, Contempt of Court", but who were never contacted by Special Agents of the Bureau of Investigation, please be advised that a transcript of the record reveals the following data:

Charles W. Clarke testified that he is a Special Agent of the Intelligence Unit, U.S. Treasury Department, and that on February 27, 1929, he accompanied Deputy U.S. Marshal Cooper when the latter served upon subject Capone a Grand Jury subpoena, calling for Capone's appearance at Chicago, Illinois, on March 12, 1931.

Raymond F. Brown testified that he is a Special Attorney in the Bureau of Internal Revenue at Miami, Florida, and that on February 27, 1929, he saw subject Alphonse Capone at the Charley-Stripling prize fight at Miami Beach, Florida.

The above confirms the original statement of Special Assistant to the Attorney General William Froelich, who stated as set forth in my letter of October 6, 1931, that the testimony of the above two witnesses was rather immaterial, and at best only cumulative.

Very truly yours,

W. A. Quinn,
Special Agent in Charge.

WAV/cec

69-19



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Postal Telegraph

THE NATIONAL SYSTEM



ALL AMERICA
CABLES

CONSTITUTIONAL
CABLES

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<input checked="" type="checkbox"/>	NIGHT MESSAGE
<input checked="" type="checkbox"/>	DEFERRED CABLE
<input checked="" type="checkbox"/>	NIGHT CABLE LETTER
<input checked="" type="checkbox"/>	WEEK END CABLE LETTER

STANDARD TIME
INDICATED ON THIS MESSAGE

CB385 139 NL COLLECT

BQ CHICAGO ILL 3

DIRECTOR

BUREAU OF INVESTIGATION DEPT OF JUSTICE WASHINGTON

FEDERAL JUDGE WILKERSON HANDED ME FOR APPROPRIATE ATTENTION
TELEGRAM DATED DECEMBER SECOND CHICAGO ADDRESSED TO WILKERSON
READING QUOTE WISH TO INFORM YOU THAT AL CAPONE IS USING THE
COUNTY JAIL FOR HIS LIQUOR BUSINESS AND TRANSACTS FROM THERE
POSSIBLY AS MUCH IF NOT MORE THAN HE USED TO AT HIS OLD
HEADQUARTERS AT THE LEXINGTON HOTEL HIS VISITORS SEEM TO BE

*Mr Youngquist
12/4/31 H*

NH

1931 DEC 3 PM 6 58

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69-180-90
BUREAU OF INVESTIGATION
DEC 5 A.M.
DEPT OF JUSTICE
FILE

MAA

27

Postal Telegraph



This is the only Telegram
delivered by mail in the
U.S.

DL	Day Letter
NL	Night Letter
RM	Radio Message
LD	Day Cable
RL	Night Cable
RLY	Radio Cable

1931 DEC 3 PM

B385/2 CHGO DIRECT BUR OF INVESTIGATION WASHN DC
 COMING ALL DAY LONG AS WELL AS IN THE EVENING I AM EMPLOYED AT
 THIS BRANCH OF SERVICE AND CANNOT UNDERSTAND WHY EVERY PRIVILEGE
 IS EXTENDED TO HIM AND NONE TO THE OTHERS PLEASE INVESTIGATE UNQUOTE
 SIGNED A STOP CAPONE NOT COMMITTED TO COOK COUNTY JAIL BUT
 REMANDED BY JUDGE TO CUSTODY MARSHALL ACCORDINGLY JUDGE WILKERSON
 QUESTIONS WHETHER CONTEMPT PRESENT IF ALLEGATIONS TRUE STOP WILKERSON
 PRINCIPALLY DESIRES CONDITIONS REMEDIED IF ALLEGED LIBERTIES BEING
 GRANTED STOP PLEASE INSTRUCT
 MCSWAIN.

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RE:JMS

December 4, 1931.

69-788-90

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MEMORANDUM FOR ASSISTANT ATTORNEY GENERAL

I am transmitting, attached hereto, a copy of a document received from this Bureau's Special Agent in Charge at Chicago, Illinois. It will be noted that this refers to alleged irregular activities on the part of Capone.

Your attention is invited to Judge Wilkinson's expression of views reflecting the possibility that Capone's alleged actions may not constitute contempt of court.

Will you please advise me promptly if you believe this Bureau should act in this matter and, if so, the extent of the action to be taken.

Very truly yours,

Encl. 746286.



By Sp. MAIL
BUREAU OF INVESTIGATION
MAILED
DEC 4 1931
A.M.
DEPT. OF JUSTICE

gmb

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69-188-90

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U. S. DEPT. OF JUSTICE
BUREAU OF INVESTIGATION
1900 BANKERS BUILDING
CHICAGO, ILLINOIS

RETEL WARD AUTHORIZED MAKE INVESTIGATION REWARD MATTER RETURNED FOR BY
JUDGE BUT SHOULD CONFER WITH UNITED STATES ATTORNEY JOHNSON
JOHN EDGAR HOOVER DIRECTOR

DEC 7 1930



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BUREAU OF INVESTIGATION	
DEC 5 A.M.	
DEPARTMENT OF JUSTICE	
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John B.

Bureau of Investigation

From: Division Two Room 422

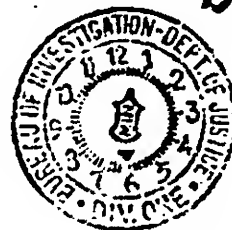
Oct. 26 1931

To: ☐ Director.
☐ Mr. Nathan.
☐ Mr. Tolson.
☐ Chief, Div. 3.
☐ Chief, Div. 4.
☐ Chief, Div. 5.
☐ Chief, Div. 6.
☐ Chief, Div. 7.
☒ Chief, Div. 8.
☐ Miss Gandy.
☐ Personnel Files.
☐ Bureau Files.
☐ Mr.

Time Magazine
Oct. 26, 1931

T. F. Baughman.

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OCT 26 1931

Time 10/26/31

CRIME

Capone & Caponies

Alphonse Capone-cocked one blue-clad leg over another blue-clad leg in Chicago's Federal Court last week, and every newshawk in the courtroom* gasped in amazement. Snorkey wore no garters.

As acutely sensitive to Snorkey Capone's sartorial condition as the newshawks were: the jury that was trying him for attempting to evade payment of a \$215,000 Federal Tax on \$1,038,000 income from 1924 to 1929; Judge James Herbert Wilkerson; Prosecutor George Emmerson Q. Johnson; Defense Attorneys Michael Ahern and Albert Fink. After hearing Snorkey linked to Cicero gambling houses ("gold-belching pits of evil" to eloquent Michael Straus of the New York Evening Post) and hearing accounts of lavish personal and household expenditures in Florida (TIME, Oct. 19) the judge, the jury and the reporters had been treated to a detailed description of the rich raiment in which Gangster Capone clothed himself. Eleven rustic jurors and one from the city had listened, gaping, to witnesses who told

*Among them: a representative of the *Chicago Science Monitor*, which seldom prints crime news.

about the \$135 suits he bought by the half-dozen, the \$27.50 shirts ordered by the dozen, the \$20 hats & shoes, \$150 overcoats, the 30 diamond belt buckles for which he had paid \$275 each.

The newshawks looked temporarily baffled, then went out and began writing stories about who would succeed Snorkey as gang chief. Consensus was that it would be cocky, sleek-haired Hymie Levin, not his quieter lieutenant, Murray Humphries. Editor Jack Leach of *The Daily Northwestern*, student paper at Northwestern University, published an editorial entitled "Get This, Capone," warning Snorkey not to attend any more football games.

Next move for the prosecution was to call bald, be-spectacled Fred Ries; who testified he handled the finances of four Cicero gambling houses, gave the checks to wizened little Bobby Barton, chauffeur for Jack Gusick, Capone's "financial secretary." Barton, known as "The Little Man," did not testify, but kept popping in & out of court to be identified. Snorkey seemed interested in Ries's testimony, caused spectators to recall gossip that gangsters were looking for him since he helped to get Gusick a five-year sentence. A handwriting expert identified Capone's signature on one of the checks Ries said were gambling profits. Up jumped Prosecutor Johnson, spoke his first words of the trial:

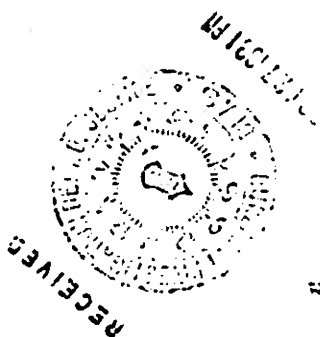
"The Government rests."

The Defense was not ready. Sadly, indignantly Lawyer Fink protested that it was unfair to give him no warning. Judge Wilkerson was unimpressed, said the defense would have to be ready by 10 a. m. next day.

By 10 a. m. Lawyers Ahern & Fink had assembled eight bookmakers with shiny shoes. To them Snorkey was no smart gambler. One William Vario said Snorkey had lost some \$50,000 in two years to him. Bookie Sam Gitelson thought his profits were \$25,000. Bookie George Lederman took another \$25,000. Bookie Milton Held got \$35,000. A sharp-eyed hunchback named Oscar Gutter swore he had won \$40,000 from Capone; Harry Belford, better known as "Hickory Slim, the Dice Guy," \$25,000. Other bookmakers got smaller amounts. Altogether Snorkey's fondness for playing the Caponies seemed to have cost him some \$200,000. Snorkey smirked, did not seem ashamed. One Bud Gentry braced up on the stand, recalled that Prizefighters Sharkey & Stribling and Mrs. Tex Rickard had been Capone's guests in Florida, said that at the end of the 1929 racing season he had won \$110,000 from Snorkey. He could not remember any of the horses Snorkey had bet on. The defense rested.

During much of one day's testimony Snorkey had his eyes on slim Beatrice Lillie, who sat with the reporters. He wanted to meet her, but his lawyers objected. Chirruped Actress Lillie: "Well, I wasn't billed, but if pressed I'll sing a song for you."

*Not in five years has Prosecutor Johnson argued a case in court, except to sum up.



69-180

Pg. 1

3-4

CAPONE MAY FACE GUN-TOTING TRIAL

Wilkinson Hints of Contempt
Charge if Gangster Knew
D'Andrea Had Pistol.

By the Associated Press.

CHICAGO, October 22.—The Federal Government, which already has convicted Alphonse Capone, the gang leader, on two charges, had another avenue of possible prosecution opened to it today.

Federal Judge James H. Wilkinson asked whether the gangster knew his bodyguard, Philip D'Andrea, carried a loaded pistol into the courtroom during the Capone income tax trial, and pointed out Capone could be cited for contempt of court if he had such knowledge.

The point was raised as D'Andrea's counsel obtained another continuance on his contempt of court hearing. Without issuing any definite orders, Judge Wilkinson made it plain that he thought Capone's connection with his gun-toting friend should be investigated.

"If the defendant Capone needs guards to accompany him to the court room, he should be in custody of the United States marshal," said the court. "It is my opinion that the defendant Capone had knowledge of D'Andrea's being armed."

Assistant United States District Attorney Jacob L. Grovman said that in his answer to the contempt of court citation, D'Andrea stated he acted as guard for Capone "at the latter's solicitation."

D'Andrea's attorney, Joseph R. Roach, said his client accompanied the gang chief "not officially, but in a friendly manner."

"He claimed he had been a bailiff in a municipal court," Roach said, "and the defendant Capone had received many threatening letters from cranks and, therefore, asked D'Andrea to accompany him."

With Capone's possible culpability still in the air, D'Andrea was taken back to jail where he has been since October 10, the day he was found carrying a loaded pistol while sitting behind Capone in the income tax trial. His case is to come up again next Tuesday.

Capone has already been sentenced to six months by Judge Wilkinson on one count of contempt of court for not answering a grand jury summons. He is expected to be sentenced tomorrow on his conviction for violating income tax laws. He has been indicted and probably will be tried soon on a charge

of conspiring to violate prohibition laws.

Authorization from Washington, D. C., expected today, alone was needed to set the Government tax collectors busy seizing Capone's property.

Robert E. Neely, acting collector of internal revenue, announced the gang chief's property, from what real estate he may possess to his \$135 suits, may be seized after tax liens are obtained for overdue income taxes.

A maximum sentence of 17 years' imprisonment and \$50,000 in fines is possible under tomorrow's court decision. The tax liability charged in the criminal action was only \$215,000, but the Government is expected to seek collection of about \$500,000.

The prosecutors have announced they will begin a legal battle tomorrow to have Capone sent immediately to Leavenworth Penitentiary. His attorneys have said they would appeal the conviction.

The
Washington
Star

10/22/31.

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AL CAPONE NOT TO SEE CELL FOR 2 YEARS

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It Will Take That Long for
Action on Appeal; Gangster
to Be Sentenced Tomorrow

CHICAGO, Oct. 22 (I.N.S.).
Citizens of crime-ridden Chicago
were speculating today on two
questions:

How long a prison sentence
will Federal James H. Wilker-
son mete out to Al Capone in
court tomorrow?

When will the super-gangster
begin serving his sentence?

Judge Wilkerson can virtually
efface America's "big shot"
racketeer from the gangland pic-
ture by giving Capone the maxi-
mum penalty—17 years in prison
and a fine of \$50,000.

Guzik Got 5 Years

The longest term ever given a
gangster for income tax viola-
tions, however, was five years
and a day—the sentence in the
case of Jack Guzik, Capone's
"financial secretary."

Legal obstacles may block im-
mediate incarceration of Capone.
In Chicago the belief prevails that
fully two years may elapse before
the Government finally gets Ca-
pone behind prison walls. There
is a good deal of speculation
whether Capone will be at liberty
during the world's fair in Chicago
in 1933. The consensus is that
he will, and that he will be doing
business at the same old stand.

Await Action On Appeals

The belief that it will require
two years to imprison Capone is
predicated on the snail-paced pro-
gress of the appeals in the cases of
Guzik and Ralph Capone. In
April, 1930 Ralph Capone, Al Ca-
pone's brother, was convicted by a
jury in Judge Wilkerson's court
of tax evasion, and sentenced to
imprisonment for three years. Gu-
zik was convicted of a similar of-
fense in May, 1930 and given a
five-year sentence.

Both Guzik and Ralph Capone
appealed to the appellate court
and final rulings in their cases
are not expected until next spring.

Washington
D.C.
Times
10/22/31

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OCT 29 1931 FR

CAPONE WINS AND LOSES, BUT STAYS IN JAIL

Trip to Leavenworth Delayed;
Bail Denied, and Al Lingers
Behind County Prison Bars

By FREDERICK C. OTHMAN
CHICAGO, Oct. 27 (U.P.).

Alphonse Capone settled down for an indefinite stay in Cook county's none-too-comfortable jail tonight.

The Circuit Court of Appeals ruined his Florida vacation plans by denying him freedom on bond while he appeals his 11-year prison sentence for income tax fraud.

GRANTS SUPERSEDES

The court did, however, grant him a supersedeas, which keeps him from going to Leavenworth penitentiary immediately, and allows him time to appeal even to the Supreme Court of the United States.

The court may take two years. If it does, the "Scarface" may stay in jail all that time and still have 11 years more of imprisonment to go.

When Judges Samuel Alschuler, Will M. Sparks and Evan A. Evans announced their decision, Defense Attorney Michael Ahern exclaimed:

"Capone might as well be in Leavenworth as in the county jail."

Ahern indicated he would appeal immediately to Justice George Vandenberg of the Supreme Court for freedom of his client. As for the \$50,000 fine which the Circuit Court ruled must stand, Ahern said he "guessed" Capone would have to pay.

CHASTENED CAPONE

The swaggering Capone, who sneered at courts for the decade he ruled Chicago's underworld with machine gun and bomb, meanwhile, was a chastened gangster. He mused:

"I'm glad to stay here."

He had dreaded his prospective trip, in leg-irons, to the Kansas prison; had dreaded even more his prospect of doing hard physical labor when he got there.

In the celebrated "crack-proof" jail, from which more than one prisoner has escaped despite all its ultra-modern gadgets, Capone's life won't at all be quite so difficult.

He may wear any clothes he pleases, even to the silk underwear which figured so prominently in his trial before Federal Judge Wilkerson. And he may have all his food especially prepared and brought to him. For that Capone is thankful; he fears that his enemies otherwise might attempt to poison him.

USUAL AMUSEMENTS

Otherwise, his lot is the same as that of the lowliest panhandler in the jail. His cell is furnished with one hard bench and cold running water. For amusement, there is the prison radio system which blares jazz from a loud speaker at the end of a concrete corridor.

In the next cell from Capone is his bespectacled bodyguard, Phil D'Andrea, who made the mistake of carrying a pistol into Judge Wilkerson's court on October 10.

Washington Herald

10/28/31.

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3-11-31

OCT 20 1931 ET

PLEA DUE TODAY

Court of Appeals May Order Him Sent to Prison or Held in Jail.

By the Associated Press.
CHICAGO, October 27.—Al Capone has settled down for what may be a long stay in the county jail, and apparently much more content to remain there than to leave for a Federal penitentiary.

A ruling on the gang chief's request to be free on bond while his income tax conviction is appealed to the higher courts is due at 2 p.m. today from the Circuit Court of Appeals. The court may either order him freed, sent to Leavenworth or held in his present quarters.

United States marshals were ready to leave with Capone tonight for Leavenworth, but they have been ready before, only to have their plans frustrated by court orders to hold him in Chicago. The first occasion was immediately after his sentence Saturday to 11 years imprisonment and \$30,000 in fines; the second when the appeals court granted a 24-hour delay yesterday.

Defense attorneys argued before the appeals body that the indictment on which the gangster was convicted was faulty. On that ground, they have filed a notice of appeal to the higher courts.

D'Andrea Asks Mercy

Philip D'Andrea, pistol-wielding bodyguard of Capone, interrupted his contempt hearing before Judge James E. Wilkerson and threw himself on the mercy of the court.

Judge Wilkerson adjourned the hearing, saying he would give his decision at 10 o'clock tomorrow morning.

The court asked the gang czar's bodyguard to the stand after Defense Attorney Michael Ahern said D'Andrea would ask the court's mercy for carrying a pistol in his pockets during Capone's trial.

Judge Wilkerson, questioning D'Andrea, asked:

"What are your connections with Capone?"
"I'm just a friend."

"Ignorant of His Business."
"What is Capone's business?"
"I don't know. It's too delicate a question for me to ask."
The questioning brought out that D'Andrea went to Lincoln, Neb., recently to aid Gus Winkler, East St. Louis, Ill., gambler, in preparing his defense on charges of participating in the \$2,500,000 robbery of the Lincoln National Bank & Trust Co.
Ahern brought out Judge Wilkerson had objected to the police guards assigned to conduct Capone between hotel and court room during his trial, believing United States marshals should safeguard the gangster's passage instead.

"I am merely trying to show," said Ahern, "that we did all we could to stop the police guards, and would have stopped D'Andrea from carrying a pistol if we had known he carried one."
United States Marshall Henry C. W. Taubenshimer testified he had informed the court on the second day of the Capone trial that the gangster's bonds would be revoked if armed guards accompanied him to court. The defense said they understood the marshal to mean the police guards.

Gives Gun Demonstration

Frank J. Wilson, an agent of the Department of Justice, showed the jury a pistol which he believed in his possession. D'Andrea was brought into the courtroom and asked to show the jury which he had a weapon. The answer, which said, was "No," quickly changed to "Yes." Wilson said he found the pistol loaded with six more bullets in a vest pocket. He had first observed the "bullet" when D'Andrea sat behind Capone in court.

Ahern retrieved the pistol. He asked the influence of the court, produced his trousers and stuck the pistol out of sight. Then he buttoned the coat, turned to Wilson and said: "Can you see any bulge?" Wilson could not. He asked his own witness have a look at it, and still Wilson said he could see no bulge of the pistol. In explanation, Wilson said D'Andrea's trousers must have been tighter than the suitcases.

The liquor conspiracy charges against Ralph Capone, Alphonse's elder brother, and others associated in the operation of the Cotton Club and Club Montmartre in Manhattan, Cicero, were continued by Federal Judge Walter C. Lindbergh today.

Assistant United States District Attorney Victor La Rue asked for a five-day continuance because he was unable to round up all his witnesses.

Ralph is under a three-year prison sentence for income tax evasion, the other crime for which his brother was convicted.

OPTORSE CAPONE REVIEW

Government Brief Filed Against Plea by Ralph.

By the Associated Press.

Torough with Al Capone for the moment, the Government turned its attention today to his brother Ralph.

A brief filed in the Supreme Court today asked that the income tax laws—Al's nemesis—also should not be reviewed by the court.

The court is expected to announce next Monday whether it will grant a review. Gangland has a good deal of interest in the result.

Ralph Capone is successful in getting a review, Frankie Lake and Terry Drutman, ex-beer barons of Chicago, are expected to follow in his legal footsteps in an effort to reverse their convictions.

The case also may establish a precedent which will allow Al, the recently pardoned underworld czar, what is in store for him in his pending appeals.

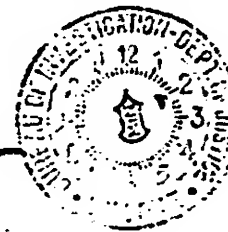
Senator General Thatcher in the brief evoked in court to the technical claims by Ralph Capone that he had been 11 days confined and sentenced to 100 years in the penitentiary.

He said that within the five years and four months preceding April 2, 1929, Ralph Capone's bank accounts showed deposits of \$1,551,840.

Washington DC Star 10/27/31

69-180

11/11



OCT 26 1931 PM

Capone Conviction Declared Only Beginning of Big Task

Conviction of Alphonse Capone by the Federal Court is found to offer some cause for public congratulation, but it is feared that the case is still far from its final stages. Recret is expressed that local authorities have failed to press more serious charges than the income-tax offenses, and it is felt that the present case offers little prospect of crushing Chicago's gangland.

Referring to the murder of a rival "crim" by gunmen on the day following the conviction of Capone, the Springfield (Mass.) Union declares: "The object lesson of his conviction appears to have failed, at least so far as it applies to activities which fall outside the scope of the Federal income tax law. Coming so soon after the verdict against Capone, it seems to carry a message of defiance to the State and city authorities, if not to the Federal Government."

Discussing the same incident, the Port Huron Times-Herald remarks: "Is this perhaps a warning to the Chicago underworld—and the Chicago police—that whatever the United States Government does to Capone in that income tax business is not going to interfere with his control and operation of the city's vice and racketeering? It looks like a 'cut' and the important question is, will Chicago continue to stand for it?"

As for the hoped punishment of the Chicago defendant, the Bronx City Journal declares: "This rascal may have been caught, but he is not going into rabbit stew for some time to come. The Savannah Morning News adds: 'Crime does not take a failure now and then to halt its justice must not allow a victory to stop its steady work. There are more Capones in the making. There may be reason for some more convictions shortly.' The Toronto Daily Star concludes: 'One cannot go so far as to say that the case of Al Capone will be the end of its conclusion. The most one could say as yet is that it could be.'"

"The jury has vindicated itself in principle," according to the Pittsburgh Post-Gazette, "confronting the defendant on five counts. While it is criticized somewhat from the technical standpoint for its acquittal of him on a number of others, the responsibility for passing upon the testimony belonged to it, and it created the impression of devoting itself sincerely to its duty. While, within limits, the authorities are to be congratulated on a victory, no one more than they should realize that they have but made a beginning."

"When criminals are regularly caught, convicted, promptly sentenced and taken to prison, the State might return some of that alienated American quality, respect for law, which the Columbia (C. S. C.) and the Atlantic City Star heartily support the Government in its constant intention to 'keep its grip on them.'"

The Pittsburgh Sun feels that now that the case has been decided, it is time to turn to the more important task of "If other cities are really going

ous of ridding themselves of gangsters," it says, "and if Chicago is desirous of prosecuting to a conclusion the work which the Federal Government has begun in the Capone case the task will be easier because of the success which has so far attended this particular legal offensive. The procedure at Chicago has proved that legal weapons are available for use against gangsters as against other criminals. The next year ought to show whether the cities have the will to use them."

"Even in this indirect manner, the authorities have accomplished much," asserts the Albany Park Evening Press, while the Manchester Leader points out that "the trouble in the past has been that the police appeared to be helpless in the matter of dealing with the organized gangs. It looked as if gangdom had set up its own code and that rival gunmen constituted the principal menace to gangsters. That made it a precarious life, but the mentality of the recruits would incline them to the belief they were picking the dominant gang, hence it would be comparatively safe. If it finally seeps into the minds of the weaklings that the police are on the job and doing good work in cleaning them up, the gaps in the organizations will not be so easily filled up because fighting on anything approaching even terms is not to the liking of the class from which gangsters are recruited."

"Perhaps it means the beginning of the end of gang rule in America," states the Meriden Star. The Davenport Democrat says: "Conviction at this time is a triumph for the law and the Federal prosecutors and undoubtedly ends for all time his career as an all-powerful gangster chieftain." The Altoona Mirror makes the appraisal: "This is the first time that the Chicago gangster has ever been convicted of an offense that is punishable with a penitentiary sentence. The verdict was quite what the public expected." Considering "the evidence in the case," the Oskosh Tribune contends: "The court was asked to believe that, in the end, Al Capone profited nothing from his business because he was simple enough to drop his fortune in regular investments into the laps of the race track bookmakers. It is not likely a court would believe anything of the kind."

The Des Moines Tribune-Capital finds in this case an argument "for more policing by central authority," while the Milwaukee Sentinel feels that the result should be "stimulating to Chicago and Cook County authorities," and the Chicago Daily News avers: "Capone's arraignment, trial and conviction in a Federal court make the important attitude of local law-enforcing authorities the more discreditable."

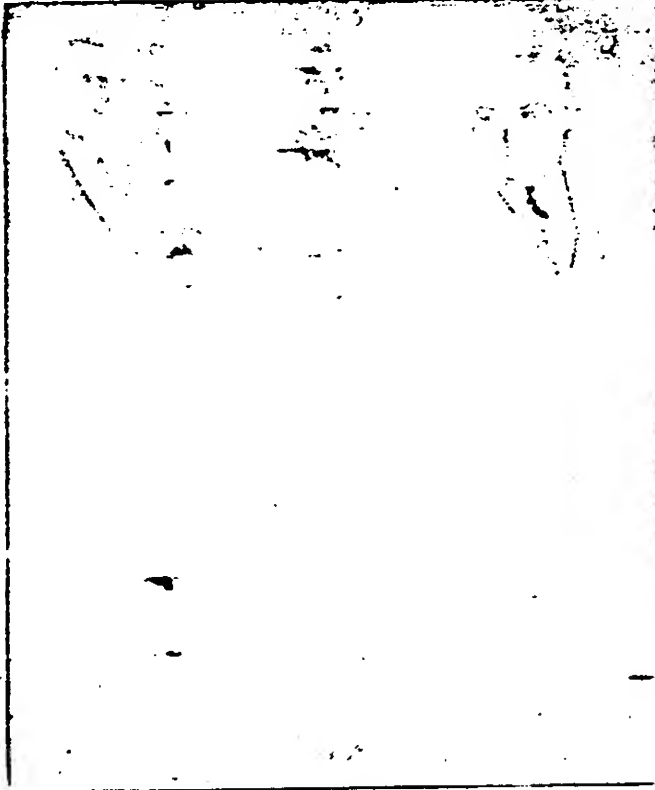
The
Washington
Star
10/27/31

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Capone Stunned by Sentence

CHICAGO GANG LEADER SHOWN LEAVING COURT.



Alphonse Capone, Chicago gangster, as he appeared in an apparently stunned and dazed condition on leaving court room of Federal Judge James H. Wilkerson, who sentenced him to 11 years in Leavenworth Penitentiary for income tax violation. Capone was also fined \$50,000 and ordered to pay the costs of his prosecution, estimated at about \$100,000. The bulky gangster was escorted by United States marshals from the Federal court room to the Cook County Jail, Chicago, where he will be held prior to departure for prison. —A. P. Photo.

Wash. O.C. Star. 10/26/31



OCT 27 1931 PM

B-MAA

CAPONE DEPARTURE TO PRISON DELAYED

U. S. Court of Appeals to Give
Bond Plea Ruling
Tomorrow.

10/26/31

By the Associated Press
CHICAGO, October 26.—Alphonse Capone's departure for prison was deferred another day by the United States Circuit Court of Appeals today.

Three appellate judges, sitting en banc, heard the convicted gang lord's attorneys move for a supersedeas bond to allow him liberty while his income tax case was reviewed. The court then ordered "Scarface Al" held another night in the county jail and promised a ruling at 2 p.m. Tuesday.

Capone settled down comfortably in the county jail, appears not badly distressed with the way the matter stands. He has found no cell comfortable and the food good.

Court is usually upheld.
Judge James H. Wilkerson, who gave Capone Saturday the most severe sentence ever given for an income tax conviction, indicated a wish that he leave immediately for Leavenworth. Government attorneys said that the upper's court usually upholds the lower court in such matters.

The attorneys had prepared two requests, one for a stay of sentence and another for immediate admission to bond. If only the stay were granted, Capone would remain in the county jail while the case is appealed. In case both motions were granted he could return to his liquor, gambling and vice enterprises while the litigation continues.

D'Andrea Note Taken.

A pencilled memorandum concerning a Chicago policeman's transfer, found in the pocket of Philip D'Andrea, bodyguard and cellmate of Capone, was handed to the Government today by Warden David Moneypenny of the Cook County Jail.

The note, which Warden Moneypenny said was taken from D'Andrea before he had a chance to dispose of it, gave the name of a policeman and then read: "Nineteenth district to Detective Bureau or first, second or third district."

D'Andrea was arrested October 16 for carrying a loaded pistol with him while attending the income tax trial of his chief, Capone. He has been in the County Jail ever since.

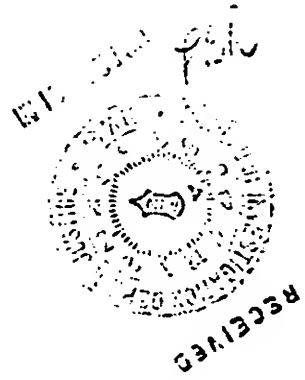
Saturday Capone himself went to jail under sentence of 11 years for evading income taxes, and the two have been cellmates.

A supposed "leak" through which police information reached the hands of the Capone gang was suggested because of several other incidents, notably the finding in a Capone hangout several months ago of a police list of "public enemies" for whom warrants were to be sworn. The list apparently received by the gangsters, was later found in police files.

Washington D.C.
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69-180



TIME

October 26, 1931

Indicted Bishop

"Is that authentic? Oh, isn't it just grand! Mr. Tinkham will be so pleased!" The female secretary of black-bearded Representative George Holden Tinkham of Massachusetts longtime political enemy of Bishop James Cannon Jr. of the Methodist Episcopal Church, South, almost jumped for joy. For Bishop Cannon had just been indicted, with Miss Ada L. Burroughs, bespectacled treasurer of the Virginia Anti-Smith Committee in 1928, both charged with violations of the Federal Corrupt Practices Act. It was the same charge that Representative Tinkham had made last year; but Bishop Cannon had denounced the Caraway Lobby Investigating Committee and walked out

(TIME, June 16, 1930). Miss Burroughs had obstinately refused to testify before the Nye Senate Campaign Funds Committee which then threatened to cite her for contempt. Last week's charges, the ten counts of which could provide an aggregate of ten years in jail and \$21,000 in fines, were made by the District of Columbia Grand Jury, which under District Attorney Leo Rover took over the evidence collected by the Nye Committee.

Counts. The allegations in the indictment are based upon the receipt by Bishop Cannon, for his campaign in Virginia against Alfred Emanuel Smith, of \$65,300 from Edwin Cornell Jameson, Manhattan insurance man (TIME, May 7, *et ante*). Federal statute requires that inter-State political contributions be filed with the Clerk of the House of Representatives. Bishop Cannon revealed disposal of only \$17,000 of Fat Cat Jameson's money. The remainder, he has insisted, is his own business.

Four counts in the indictment charge Miss Burroughs with *willful* failure to report the full amount, and Bishop Cannon with "aiding and abetting" her, which if proved makes him equally guilty. Four counts charge mere technical, unwitting violations, implicating the Bishop in the same manner. The remaining two counts charge conspiracy "with divers other persons" to commit the (willful) felony and the (unwitting) misdemeanor.

Persecution. Bishop Cannon was in Atlanta at a church conference (see p. 22) when he heard of the indictment. No one was surprised to hear him say: "This is merely a plot to discredit me, a persecution by a Roman Catholic district attorney acting under orders of his priest." (The case had been turned over by Catholic District Attorney Rover to Protestant Assistant District Attorney John J. Wilson, who presented the evidence to the Grand Jury last month.) With bond set at \$1,000 and the trial slated for some time before Jan. 1, Bishop Cannon said he did not fear. He has previously defended his action on the ground that the Corrupt Practices Act deals only with Federal officers. Presidential electors, for whom the money was spent, are State officers, says he. It was indicated that his lawyer, Robert H. McNeill, might file a demurrer to the indictment upon this ground.

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Time 10/26/31

Argument. Assistant U. S. Attorney Jacob I. Grossman estimated the Capone income at \$120,000 in 1924; \$250,000 in 1925; \$195,000 in 1926; \$220,000 in 1927; \$140,000 in 1928; \$104,000 in 1929—total \$1,029,000. Declared he: "When they [the defense] put those gamblers on as witnesses they admitted that we had proved our case. Why prove deductions if we have not proved income?"

Mr. Fink, still feeling hurt, thought the language of the indictment was "vague, indefinite, uncertain," felt that a great injustice had been done to Snorkey in charging him with "attempting" to evade tax payments. Snorkey, he said, had only "omitted" to do his duty. In Washington, Treasury officials punched a hole in Snorkey's only defense by pointing out that race track losses could not be deducted from his income. If he lost consistently, they explained, the money he lost must have come from other sources than the track, and therefore he must pay income on it. Lawyer Ahern deplored the "great public clamor" against Snorkey, called him a "mythical Robin Hood." Prosecutor Johnson indignantly insisted the Government was presenting the case with "high purpose."

Charge. Judge Wilkerson hitched his chair toward the jury box and leveled his bushy brows at the jurymen, to deliver his charge. Excerpt:

"Mere failure to file an income tax does not constitute 'attempt' to evade or defeat the tax. . . . To convict you must find beyond reasonable doubt that there was intent to defraud and also some act done in furtherance of that intent. . . ."

Snorkey looked blissfully contented as the jury filed out. In a bright green suit (\$135) and green-spotted tie he stood in the corridor and smiled. Also pleased with Judge Wilkerson's dispassionate charge were Counsel Ahern & Fink. A moment later Snorkey disappeared. It was 2.40 p. m.

Verdict. At 10:50 p. m. the jury was ready, but Snorkey was nowhere to be seen. Lawyer Ahern rushed to a telephone. Fifteen minutes later in popped Snorkey, panting, sweating. He tossed a green coat & hat on the counsel table, mopped his fat head with a green handkerchief. In came the jury.

"We, the jury, find the defendant guilty on counts 1, 5, 9, 13 & 18 in the second indictment, and not guilty on counts 2, 3, 4, 6, 7, 8, 10, 11, 12, 14, 16, 17, 19, 20, 21 & 22."

Judge Wilkerson looked puzzled. So did Messrs. Ahern & Fink. "Inconsistent," mumbled the prosecution. Snorkey grinned broadly.

Soon the meaning of the verdict became apparent. The jury had decided Snorkey feloniously "attempted to evade & defeat" the income tax in 1925, 1926, 1927, but in 1924 & 1928 he only "failed" to pay up. The jury apparently thought he had tried his best in 1929.

The prosecution huddled and counted up. For each of the two years Capone had merely neglected to pay his tax, he might be sentenced to a year in the peni-

tentiary; for each of the other three years he could be given a five-year sentence; on every count he could be fined \$10,000; total, 17 years, \$50,000. Inconsistent or not, the Government was satisfied with the verdict, moved to attach his worldly possessions in lieu of the \$215,000 he owed.

Snorkey did not think Judge Wilkerson would give him the maximum penalty. He grinned in all directions around the courtroom, then got to his feet, hurried to an elevator, descended to the street, jumped into a waiting automobile and disappeared into the sprawling city whose thousands of illicit night haunts were his Empire.

Pg 2 221

Bureau of Investigation

Room 318.

11-2

1931.

To: ☒ Director.
____ Ass't. Director Nathan.
____ Miss Gandy.
____ Miss O'Brien.
____ Chief, Div. 2.
____ Chief, Div. 3.
____ Chief, Div. 4.
____ Chief, Div. 5.
____ Chief, Div. 6.
____ Chief, Div. 7.
____ Chief, Div. 8.
____ Chief, Div. 9.
____ Chief, Div. 10.
____ Supervisor, Steno. Pool.
____ Inspector
____ Miss Sheaffer.

222

1

Clyde A. Tolson.

Bureau of Investigation

From: Division Six.

10 / 30 1931.

To: ☐ Director.
☐ Mr. Nathan.
☐ Mr. Tolson.
☒ Miss Gandy.
☐ Mr. Egan.
☐ Chief, Div. 2.
☐ Chief, Div. 3.
☐ Chief, Div. 4.
☐ Chief, Div. 5.
☐ Chief, Div. 6.
☐ Chief, Div. 7.
☐ Chief, Div. 8.
☐ Chief, Div. 9.
☐ Chief, Div. 10.
☐ Mr.

I had this
copy prepared
believing Director
might wish to
have it.

Rey

Page Two.
10-30-31,
Alphonse
Capers,
Jr., U.S.
Marshal,
Chicago, Ill.

Department of Justice
Bureau of Investigation
Washington, D. C.



TO DIRECTOR, FBI
FROM SAC, CHICAGO
SUBJECT: ALPHONSE CAPERS, JR.
RE: CHICAGO, ILL.
MAY 1931

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NOV 3 1931 PM

CAPONE'S BROTHER MUST SERVE TERM

**Gangster Is Refused Review
of Conviction on Income
Tax Charge.**

By the Associated Press.
Ralph Capone, brother of Al Capone, today was refused a review by the Supreme Court of his conviction of having made false statements in an attempt to compromise his income taxes.

The action ends the gangster's hope of a legal escape from his three-year sentence and a fine of \$10,000.

Other gangsters have been watching the case.

Two Plead Guilty.

Terry Druggan and Frankie Lake, former Chicago beer barons, have pleaded guilty to income tax violations with the understanding that they might change their pleas if Ralph Capone won a review.

Obscured somewhat by the notoriety of his brother Al, Ralph nevertheless found underworld operations very profitable. At his trial the Government introduced evidence to prove that in a period of five years preceding April, 1929, he banked more than \$1,800,000.

He failed to file a return or pay any tax during 1922, 1923, 1924 and 1925.

After the Government began investigating, Capone admitted to the internal revenue agent at Chicago that he owed the Government \$4,082.

Offered \$1,000 Compromise.

Asserting that he received an income of approximately \$20,000 yearly from gambling, he offered to compromise by paying \$1,000.

He claimed he had lost so much money on his race horses and in defending himself and his associates from criminal prosecutions that he was broke.

The Government made that admission the basis of prosecution against him. They said he had an extensive income from handling liquor.

After his conviction, Ralph Capone took his appeal to the Seventh Circuit court, where he lost.

Washington D.C.

Star

11/2/31

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NOV 3 1931

Kansas City St
10-29-31

KANSAS CITY STAR, T

CAPONE GANG HIDES OUT

AT LEXINGTON HOTEL
FIND HEADQUARTERS EMPTY.

Search in Hangout of Racket Chief
Reveals Precautions He Took
Against Being
Poisoned.

(By the Associated Press)

CHICAGO, Oct. 29.—The Lexington hotel, "outlaw camp" of Alphonse Capone and his gang lieutenant, was raided by detective squads today and found deserted except for servants.

The raid was described by the Chief of Detectives, William Schoemaker, as part of his campaign to harass gangsters at every turn and arrest them on sight.

Detectives discovered Capone's often expressed fear of being poisoned extended even to his own hangout. On the fourth floor of the hotel, which apparently had been reserved entirely for Capone and his "boys," officers found a completely equipped kitchen with a chef, a second chef and a waiter who served only the gangster and members of his party. These three servants were the only ones found in the spacious quarters.

The hotel was described yesterday by Federal Judge James H. Wilkerson as an "outlaw camp" where the Capone gang "exercised a coercive interest over those with whom it came in contact."

As his headquarters was raided and his gang apparently scattered, Capone took on the aspects of a "model prisoner" at the Cook County jail. He is there pending an appeal on the conviction which brought him an 11-year sentence as an income tax dodger.

Kansas City Star 10-29-31
A Cynical Judge.

In his entire conduct of the Capone case Judge James H. Wilkerson of the federal court in Chicago has displayed a type of courage and a sense of strict justice that are heartening to the great body of American people who stand for the maintenance and supremacy of law. From the very start, when the gangster appeared before him on a plea of guilty, there was evidence of a firmness and determination on the part of Judge Wilkerson that was most disconcerting to the man who had been brazen in his defiance of constituted authority. Capone was warned then that there could be no

bargaining with the court, a point that the gangster was to grasp fully in later days.

Judge Wilkerson's denunciation of the whole band of lawless followers that Capone had gathered about him comes as another indication of the stern quality of this defender of law and justice. The jail sentence given the gangster's bodyguard who had appeared armed in court, together with the outright declaration that there had been "a shocking array of perjury" by Capone witnesses at the trial, is still further evidence of a rigid adherence to the demands of order and of a fixed purpose to deal out punishment where it is due. Gangdom in Chicago and elsewhere will take heed to such procedure in a court of law. Justice is having its turn. The example of Judge Wilkerson ought to mark the opening of a new era in enforced respect for authority in this country.

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A NEW TONE TO CHICAGO

KANSAS CITY STAR
10-28-31
CAPONE'S CONVICTION PUTS
SPIRIT IN FIGHT ON CRIME.

City Prepares to Follow Up Elimination of Gang Excess With Final Thrust at Grip of Racketeers.

Chicago, Oct. 28.—The conviction of Al Capone here by the federal government has given Chicago a moral stimulus which has aroused its civic consciousness to a greater degree than anything since the famous O'Leary cow started the historic fire that almost destroyed the entire city.

This, in effect, is the opinion of leading citizens and government officials who have fought the reign of crime here.

Foremost in combating the racketeers, gunmen and hoodlums who have considered Chicago their prey for the last ten years is the Chicago Employers' Association. Today, President Earl H. Macoy said the effects of "Capone's conviction, if they finally succeed in sending him to Leavenworth, will be wonderful. His incarceration will demoralize all his cohorts. Others who may seek to succeed him will fear to make the attempt.

NEW UNITY IN FIGHT.

"This conviction has done more to arouse responsibility than anything that ever happened here, and it is drawing the lot of us who seek to eliminate crime into a closer organization better fitted to continue our fight. We now have encouragement against what has sometimes seemed a redoubtable wall.

"The gangsters fight together, with their fists closed and are tightly organized. We are like the 'Cobbs' and the 'Lodges' willing to fight, but we have our fingers spread and hands open. Now we shall work together with closed fists."

The Chicago Employers' Association has been breaking up gangster methods here for the last few years when thugs sought to "muscle in" on legitimate business men.

One government official, closely associated with the Capone conviction, who asked that his name be withheld, made this assertion:

"If we fail to succeed in sending Capone to Leavenworth, the minute anyone sticks his head up above the crowd of minor thugs and hoodlums and seeks to emulate Capone he will be advertising for 'bed and board' in Leavenworth, and those in authority will see that he gets it. The gangs will now begin to disintegrate and they will not be as formidable without their leader."

WIDE REACTION TO VERDICT.

Bankers, merchants and industrial leaders expressed pleasure on Capone's conviction.

Charles P. Megan, president of the Chicago Bar Association, said:

"The public will feel satisfaction in knowing the laws of the United States cannot be broken with impunity and that no offender is powerful enough to escape punishment."

William V. Brothers, chief justice of the circuit court, said the conviction is a "triumph for Chicago. It will do much to overcome the false reputation of Chicago in the nation and the world."

FEAR HOLDS GANG RIVALS.

Police Find No Pretenders to Leadership of Capone.

(By the Associated Press.)

Chicago, Oct. 28.—The Chicago police are going to go into the question as to who will attempt to take up the reins of gang leadership in Chicago now that Al Capone is locked in jail as an income tax dodger.

"Dago Lawrence" Mangano, listed by the Chicago crime commission as a "public enemy," was questioned on the subject following reports his followers had been planning to form a new syndicate to take the place of Capone's, but Mangano was prompt with a denial.

"I don't want to be king for a day," he told William Schoemaker, chief of detectives, implying he would expect to be killed if he assumed Capone's place as a gang leader.

KANSAS CITY JOURNAL-POST, WEDNESDAY, OCTOBER 28, 1931

'FREE' IN JAIL CELL

Capone Gets Special Food and Has Visitors.

CHICAGO, Oct. 28.—(U.P.)—Al

Capone, convicted of defrauding the government of income tax, will continue for a time at least to enjoy the comparative luxury of a stay in Cook county jail rather than imprisonment in the 10-year penitentiary at Leavenworth.

While in jail, Capone is able to receive visitors, have food

execution of his sentence by the United States circuit court pending appeal of the case. Meanwhile, Capone's attorneys planned to carry their fight for bail to the United States supreme court.

The time spent in jail will not count on either the penitentiary sentence or the 10-year jail term imposed on Capone by Judge James H. Anderson. Because of this, the leader's attorneys obtained permission for their client to begin his term at Leavenworth if the supreme court denied the bail plea.

At the Cook county jail, Capone has been given a special cell, and

sent in from outside and spend his time as he pleases in the special cell to which he was assigned.

600
69-180

CAPONE 'FORT' RAIDED; YIELDS TRIO OF CHEFS

Hoodlums Gone, But Police
Learn Gang Chief Had Five
Radios and Period Furniture

CHICAGO, Oct. 29. (U.P.)
While Alphonse (Scarface Al)
Capone fretted in the city jail
today, detectives raided his head-
quarters at the Lexington Hotel,
known as "The Fort."

No hoodlums were present, no
shotguns and no bombs, an-
nounced the officers, but they
did discover just how luxuriously
a gangster chieftain likes his liv-
ing.

RENTED ENTIRE FLOOR

Capone, they learned, rented
the entire fourth floor of the
South Michigan Boulevard hostelry
and a large part of the third.
He had a private kitchen which
sparkled with stainless steel; a
living room cluttered with period
furniture, five radio sets, a bed
room, said the awed police, with
the biggest and softest bed this
side of Utopia.

In Capone's super-kitchen the
officers obtained their only cap-
ture, Head Chef Jimmy Arcadi,
self-admitted expert in preparing
spaghetti; Second Chef Joe Ab-
ruzz, whose specialty was spu-
moni, and Joe Jones, colored bus-
boy, whose duty it was to serve
the "Scarface."

SAW CAPONE OFTEN

Arcadi, Abruzzi and Jones in-
sisted they didn't know for whom
they worked, although they ad-
mitted seeing Capone frequently.

Chief of Detectives William
(Ehose) Shoemaker said the Lex-
ington raid was his first in a re-
newed attempt to "put all the
gangsters in with Capone, where
they belong."

Meanwhile Capone lounged as
best he could on a hard-wood
bench in his cell, awaiting final
disposition of his 11-year prison
sentence for income tax fraud.
He played solitaire, read a detec-
tive story, and turned down
Warden David Money-penny's
offer of "congenial work pushing
a mop."

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Washington Herald
10-30-31.

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3 mks Page 2

Portrait of a man talking to Capone OCT 29 1931 PM

"WHAT I can't figure out with a guy like you," I said to him. "Is you are in a big business. The biggest business men cheat a little, but they rarely give the Government a chance to catch them clowning with their income returns. You should have used your nut and paid it!" "Why?" he snapped. "I have no business!" "Then," I countered, "how are you going to explain all this—and your wealth?" "Presents," he said. "My friends and cousins gave me it all!" I realized then that Capone wasn't so shrewd, and the beer in me gave me the courage to so tell him. A newspaper was brought in. "Hah!" I hah'd. "This is good. Look! It says people in New York saw you today on a train. And here's a report that you just passed through Albany!" It was amusing to read those statements sitting with him in Miami Beach. Then he tossed the paper on a couch. The paper's front page carried another tale about him being wanted in Chicago for the Colosimo murder. "That's another thing about you I can't figure," I said. "You're nuts over that boy of yours. Still you leave newspapers around the house like that where he can see such stories about you. That's not nice!" "Don't mean a thing," Capone replied indifferently. "He knows that anything they put in the papers about me is lie." "God bless Mr. Volstead—it weren't for him there'd be no marvelous Capone bett—I think I know the recipe...It must be flavored with lightning!"



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The Washington Herald 10/29/31.

Winchell on Broadway

Portrait of a Man Talking to Capone

SOMETHING told me at the time I wouldn't see Capone for a long spell...I mean the last time I met him in his Florida mansion... He seemed pretty rum after he got that call from Chicago—and they told him that local politicians, aspiring for the heights, were reopening the Colosimo thing again...He never dreamed that they would finally trap him via the income tax gag...The size of Alphonse was what impressed me more than anything about him...A mutual friend asked me if I would like to meet Capone, and I said I would... Might have made a lot of coin from all those magazines that asked for an article on the visit titled "The Capones at Home"...But I told Capone I wouldn't go commercial on the call—and I didn't...He said he didn't care whether I did or not—that he never met a newspaper man yet who didn't cross him...Wonder if it is true what I heard about him?...That before retiring each night he cried like a baby.

I HAD always pictured him as a small and fat person...He's over six feet...When I was entering his place, he saw me coming up the three steps leading to the parlor...He was playing cards with three huskies...Their backs were to the door—Capone faced them...Oh, come in," he called as he saw me, and in the next breath he was handing me to the others... "Sit down," because they were so queer than the bird race that I was used to...He was sweeping the table clean of cards and chips...I sat down on a settee near his side of the table... "Sit over here," he said... "No, this is all right," I countered...No, sit over here, please...I pictured him as a small, fat old man, but he was the largest automatic I ever saw...It was resting in one of the table nooks, where they keep chips, I guess, and he didn't want me to be startled...He covered the gun with one of his immense paws and hid it on the other side of the table...I don't understand that...I was looking at him of something to say... "Here you are playing a game of cards with your friends, but you keep a gun handy"... "I have no friends," he said as he handed me a glass of grand beer.

AMONG other things I learned during that call was that every time you referred to it as his gang, he corrected you with "my organization"...Why don't you guys never put in the paper about my brightness and soap lines?" he asked me...Then he told with great pride how his Chicago philanthropists so congested traffic that the police urged him to scatter the houses...He argued long and loud about being blamed for everything—most of which he never did...All I ask is that they leave me alone...He said once I didn't tell him so, but I thought of a lot of people who wished he would leave them alone...His beautiful mansion was really another prison for him...He couldn't leave it without a heavy guard...When he moved it was done secretly—by plane or boat—bunch of tough men anchored in the waters adjacent to his home there...He told me of a better town in Miami who crossed him for the Government—who told the officers

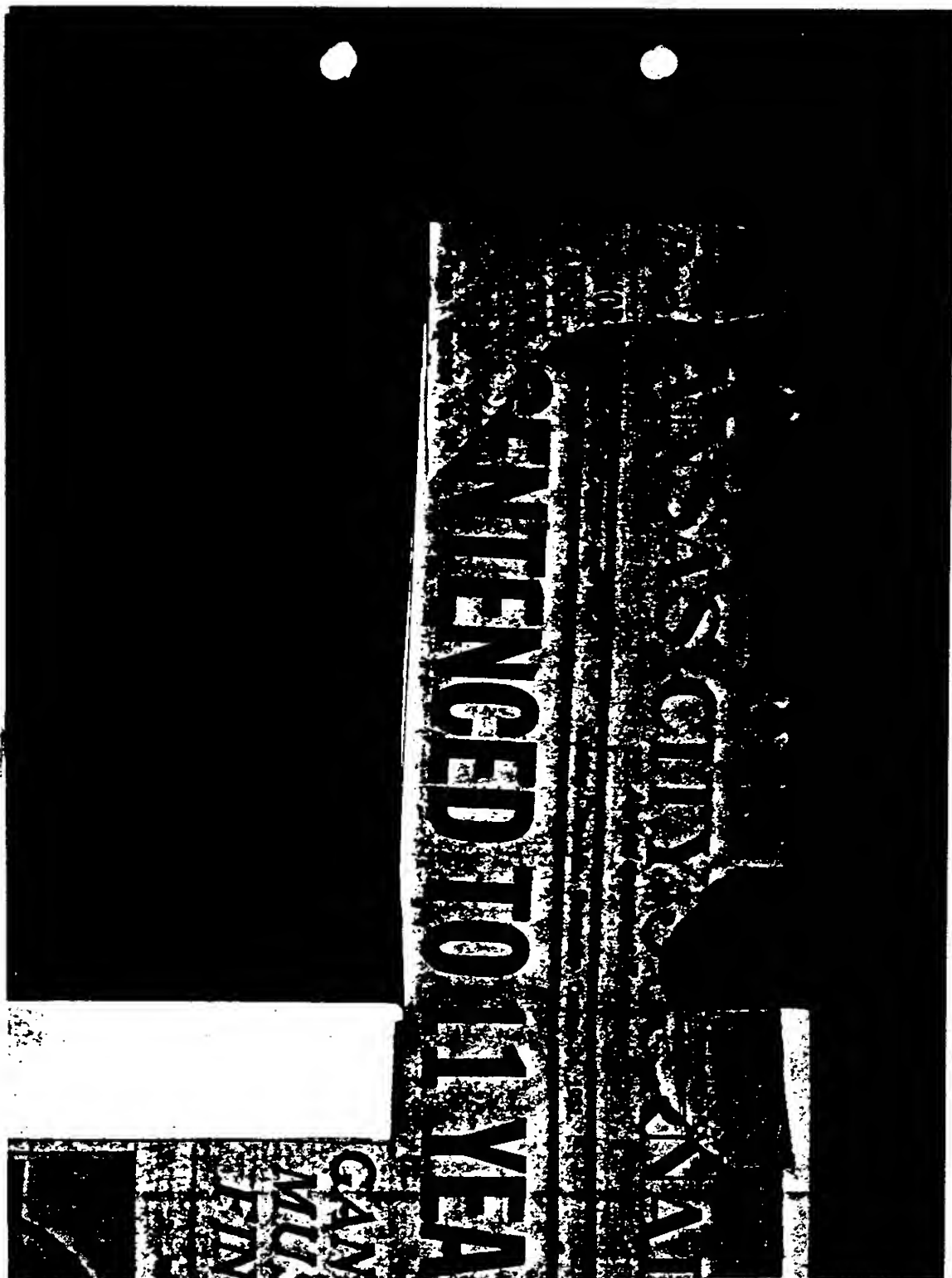
he wasn't sick at all when all the while he thought he'd die from pneumonia... "Once," he was saying, "I was so sick I fell down a whole flight of stairs"...The doctor's fee, he thought, was too stiff, and he paid him only half... "So he told the Government," said Capone, "that I was never sick"...He sighed heavily, and with a prop smile, added: "That's the funniest thing. Anybody I have wine and dined right in my own house has crossed me"...He handed me the third beer...Swelegant!

THE call from Chicago came...Before it arrived Capone was in a gay mood...He likes to talk, it seems—and he was defending his reputation against a first impression...After the phone call he came back into the parlor and seemed away off... "What's the matter?" I asked, "nothing good?"... "Aw," he said, "that bunch in Chicago is trying to pin the Colosimo murder on me. That was years ago! All of us had a hearing! The hell with them!"...He told me about the time they nailed him in Philly, where he did time... "I was buying tickets back to Chicago," Capone said, "and I told the ticket guy in the cage at the station to keep the change. It was a \$50 bill. So that's what I got for being helpful. He must have recognized me. So he phoned the police. I guess, and kept me fifty dollars"...The detectives, it appears, traced him and his companions to a movie house and barred him when they came out...They had gone to kill time between trains... "What crazy cops they were," Capone barked, "They might have started a panic in that lobby with all those people. That's no time or place to get excited—and maybe a lot of people could get hurt!"

I WAS looking at him through one eye—his beer was too good... "Yeah," I said, "that's pretty dangerous, with all those people around"...One of the cops said, "Hello, Al," and Al returned the salutation... "Got a gun on you?" the officer queried... "Sure," said Al, "go and get it"...Capone explained to me that it was a good thing he didn't remove the gun himself, for that is what the cops wanted... "They'd have shot me down, claiming self-defense, get it?"...They took him before a magistrate there... "Oh, boy," said Capone, "you should have heard the call-down he gave me. He called me everything in the world. I was a bum, a rat, a this and that. He missed nothing. All the time I thought he was putting on a show for the benefit of reporters and others in the courtroom. So I took it all...But he wouldn't stop...He told me he was sorry that he couldn't put me in the electric chair right then, himself...Finally I promoted a lawyer and figured the bail would be low...But the judge, who once was my pal, was trying to crash the spotlight with me. He continued giving me a piece of his mind. So when he said \$35,000 bail and I started to peel it off my bankroll, he changed his mind and said the bail would be higher...In the time I spent in that jail it cost me \$110,000...All over the \$50 tip!"

69-180 Page 1.

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SPRINGFIELD, ILL.

HERALD POST

April 24, 1931.

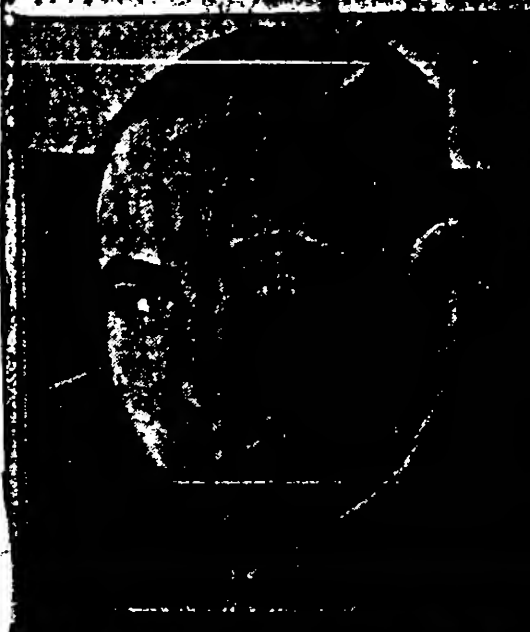
Published Daily Except on Sundays and Public Holidays

1 YEARS IN PRISON

GANG LEADER ALSO
MUST PAY \$50,000
FINE AS TAX DODGER

Judge Starts 11 on Long

APR



Mrs. Judi Shaw Gersel After She Dissected Body Theory in Arizona

Doctor at Clinic Where She Worked Says
Hand Was Uninjured the Day After
Killing of Two Women.

**300 K. C. JOBLESS
MARCH BY TRUCK**

300 K. C. JOBLESS MARCH BY TRUCK TO SEE GOVERNOR

**Following Parade and
Speeches Group Starts
Proposed Trek**

[illegible][illegible]

PAGES. 10-24-31

CAPONE, 11 YEARS

Federal Court Brushes Aside Technicalities to Sentence the Chicago Gangster.

A \$50,000 FINE WITH TERM

Judge Wilkerson Places Penalty Close to Maximum for Income Tax Violation.

Appeal to Delay Entry in Prison Now Offers Only Refuge to Racket Chief.

LAW PASSES VITAL TEST

Hoodlum, Stunned by Outcome, Curses as He Faces Time in Penitentiary.

(By the Associated Press.)

Federal Building, Chicago, Oct. 24.—"Scarface Al" Capone, underworld leader of Chicago, was sentenced today to eleven years' imprisonment for violating income tax laws and ordered to the Leavenworth penitentiary.

In addition to the sentences, ten years in the Leavenworth prison and one year in the county jail, Capone was ordered to pay a \$50,000 fine and the costs of prosecution, estimated at about \$100,000.

Denial to Every Motion

Federal Judge James H. Wilkerson not only passed a sentence more than twice as severe as had ever been given an income tax evader before, but at first denied every motion which would have given the big gangster his freedom while the case was appealed.

Later Judge Wilkerson ordered that Capone be held at the county jail until Monday to permit his attorneys to seek bond in the United States circuit court of appeals. The judge previously had ordered the gangster taken to Leavenworth penitentiary immediately.

The court employed the maximum possible penalties on the five counts on which Capone was convicted, but cut the possibility from the possible maximum of seventeen years by ruling that several terms should run concurrently.

As the gangster, downcast and apparently in the grip of the judge, was led from the courtroom he was handed a demand for taxes and immediately afterward a lien on his \$40,000 Florida estate and on three safe deposit boxes in the Equitable Trust Company, a bank on the South Side of Chicago.

Curse at an Officer.

Capone appeared to lunge at E. P. Henthorn, a deputy collector of internal revenue, as he was served with the legal papers. His face grew livid and he cursed. Two deputy marshals held him.

Last Saturday night, when the jury returned its verdict convicting the gang leader on five counts and not guilty on eighteen, there was some doubt as to which side seemed most elated. But there was no doubt today. Capone, his huge shoulders hunched forward, was glum. His attorneys were almost frantic in their efforts to obtain his freedom pending appeal.

District Attorney George E. Q. Johnson, who directed the prosecution and urged the jury in his final plea to convict "this man who tried to set himself above the law," smiled broadly, but refused comment. It was the high point of his 3-year campaign against Chicago gangsters.

When Asked Against Delay.

The defense filed notice of an appeal and Michael Ahern, chief of defense counsel, argued that perfection of appeal should automatically serve as a supersedeas, asking Judge Wilkerson to instruct the marshal to delay taking Capone to Leavenworth penitentiary. The court refused.

The penalty assessed by Judge Wilkerson was five years and \$10,000 on each of three felony counts and one year and \$10,000 on each of two misdemeanor counts. Sentence on two of the felony counts is to run concurrently, however, as are the two misdemeanor sentences.

Judge Wilkerson, in ordering the defendant to prison immediately, said that if any higher courts should reverse the verdict on the felony counts, which charge evasion of income taxes for the years 1925, 1926 and 1927, Capone could be given credit for whatever time he had served, the credit to apply on the misdemeanor counts as well as his 6-month contempt of court sentence.

Capone was charged in the indictments with evading \$215,000 taxes on a 6-year income of \$1,038,634. The jury convicted him of evasion for only three years, however, on a \$357,285

income in 1925, \$195,677 income in 1926 and \$218,056 income in 1927.

The two additional counts on which he was convicted were misdemeanors charging failure to file returns in 1928 and 1929. When Capone has served six months in Leavenworth he will be given credit for a contempt of court sentence of six months, passed by Judge Wilkerson last February.

This bulky, swarthy man, a notorious gangster for twelve years, internationally infamous head of his own syndicate for six, has spent less than one year in jail. The only previous term was in Philadelphia, where he served a little more than nine months of a 1-year sentence for carrying concealed weapons.

His notoriety as a ruthless gang leader figured only in the closing arguments of his income tax trial, and then briefly. Capone's attorneys said he was being persecuted to satisfy public clamor, that the government would have tried no other man on similar evidence and was merely trying to "get Capone." District Attorney Johnson told the jury he did not deny the "great" public interest in the trial, but he was not asking that body to consider it.

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Kansas City Star K.
10-25-31

BLOW TO GANGLAND RULE

GOVERNMENT SCORES HEAVILY IN
SENTENCE TO CAPONE.

Crime Leaders in Other Cities Are
Expected to Feel the Lash of
Federal Laws as Drive
Continues.

(By the Associated Press.)

WASHINGTON, Oct. 24.—The government accepted Al Capone's sentence today as another milestone in its drive against gangland's flaunting of federal laws.

To agents who pit adding machines against more deadly gangster weapons, the successful prosecution of Capone was a new stimulus.

Elmer E. Irey, chief of the internal revenue bureau's special intelligence unit, said he was "pleased and satisfied" with the sentence, and added: "There will be no let-up in Chicago."

MAY GO TO SUPREME COURT.

Attorney General Mitchell refused to break the silence he has promised to maintain as long as the Capone case is in the courts. More legal fencing is expected with an eventual appeal to the supreme court, to which Ralph Capone, the racketeer's brother, has taken a sentence of four years for income tax evasion.

Irey, who conducted the investigation of Capone's case, said that with the criminal prosecution completed special efforts would be directed toward building up the civil case against the gangster.

Since the Capone investigation started on October 18, 1929, seven Chicago gang leaders have been convicted. Beside Al and his brother, Ralph, they include Jack Guzik, Frank Nitti, Sam Guzik, Terry Druggan and Frankie Lake.

SOME POLITICIANS INVOLVED.

Meanwhile, investigations of income tax frauds are progressing in New York City and Pittsburgh. Officials have declined to disclose the identity of those under investigation beyond saying gangsters, racketeers and some politicians are involved.

While gratified over their success against tax dodgers, officials were quick to reiterate today that federal law violations are relatively minor in comparison with the flagrant disregard of state laws involving capital offenses and that state and municipal officials must co-operate to wipe out gang crime.

ALIEN ON HIS "PALACE."

Federal Government Seeks to Collect Unpaid Income Taxes.

(By the Associated Press.)

MIAMI BEACH, Fla., Oct. 24.—The federal government today blanketed Al Capone's lavish winter place here with a lien of \$51,493.08 in its fight to collect \$215,000 unpaid income taxes.

The action was taken after Capone was sentenced in Chicago to serve eleven years in federal penitentiary and fined \$50,000 for income tax payment evasion.

The barricaded white mansion of the gang chief entered court litigation for the third time as officials of the United States internal revenue department filed liens in both federal and circuit courts in Miami, naming Capone and his wife, Mae Capone, as transferees.

Eighteen months ago it was the subject of padlock proceedings brought in criminal court in Miami after a raid by county officers netted a quantity of fine liquors.

Vincent C. Giblin and J. P. Gordon, at that time Capone's Miami attorneys, placed the gangster and other witnesses on the stand and defeated the padlock suit.

Later Giblin and Capone disagreed over attorney's fees and the lawyer attached furnishings, variously valued from \$50,000 to \$100,000, in the mansion. A reported settlement out of court halted the proceedings after some of the furnishings were removed to a storage warehouse.

Kansas City Star PRI
10-24-31

Ill-Gotten Wealth Begins to Vanish, Too.

CHICAGO, Oct. 24.—Some of the wealth Al Capone has flaunted in the face of the law from Chicago to Florida today was being stripped from the gangster who now is on the way to prison.

While liens were filed against Capone's Chicago property, advice from Jacksonville, Fla., said similar action had been taken against the palatial winter home of Capone at Palm Island, near Miami Beach. The government is seizing the property to pay the \$215,000 delinquent income tax which figured in the gangster's trial. But that is not all the gangster owes the government, the total figure being estimated in excess of a million dollars. Penalties would add half again as much to the bill, it is said.

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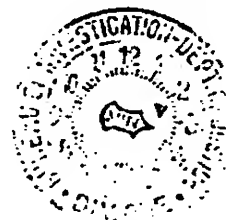
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OCT 29 1931 PM

AL CAPONE'S GUARD GETS SIX MONTHS

D'Andrea Sentenced to Jail
for Carrying Loaded Gun
Into Federal Court.

By the Associated Press.

CHICAGO, October 28.—Phil D'Andrea, gun-toting bodyguard of "Scarface Al" Capone, was sentenced to six months in the county jail by Judge James H. Wilkerson today for carrying his loaded pistol into Federal Court.

D'Andrea had been in the county jail since October 18 when he was found carrying a loaded pistol in the court room. He had been sitting directly behind Capone every day of the trial until his arrest, and yesterday, throwing himself on the mercy of the court, the bodyguard admitted he had carried the weapon daily.

Paroled for Two Weeks.

Judge Wilkerson said the presence of an armed man during the trial of Capone's income tax evasion case was a direct menace to the court itself and required D'Andrea guilty of contempt of court.

A two weeks' stay of execution was granted and D'Andrea was paroled to Michael Ahern, his and Capone's lawyer.

Before sentencing D'Andrea, Judge Wilkerson said it was clear he was a member of the "outlaw gang" which had endeavored to intimidate Government witnesses in the Capone trial, but who caused defense witnesses to perjure themselves.

"This gang," the court said, "exercised a control over people with whom it came in contact that resembled nothing less than insurrection against the laws of the United States."

"I would have been totally blind had I not noticed the intimidation of witnesses. Time and again I noticed witnesses faltering on the stand."

Judge Charges Perjury.

Judge Wilkerson said the closing days of the trial, when the defense brought on a series of bookmakers to testify concerning Capone's losses on horse races, disclosed a "shocking array of perjury" which was of itself much worse than D'Andrea's offense. He said the witnesses were summoned to the Lexington Hotel, "the camp of this outlaw band," and instructed to perjure themselves.

D'Andrea was given a stay of execution after Attorney Ahern told the court his mother was ill. Ahern said she had not been informed of her son's troubles with the Federal Government and asked that D'Andrea be paroled so that he could go to his mother without being accompanied by a marshal.

In the meantime Capone remained in the county jail while his attorneys decided what to do next.

Is Kept in Jail.

Granted a supersedeas that allowed him to stay out of the penitentiary during appeal to the Supreme Court, but denied bail, the gangster was ordered kept in custody with no credit toward his 11-year sentence in Leavenworth for tax evasion. No deduction will be allowed for the time he spends in jail.

Attorney Ahern said he might go to Washington to apply for bail to Justice Van Devanter, the Supreme Court member assigned to the seventh judicial circuit. If he were refused, Ahern indicated that he might ask to have the writ of supersedeas vacated, so Capone could be taken to Leavenworth to start serving his sentence, pending further legal action.

While Capone's lawyers were working for him, the gang leader remained in a hospital ward cell on the fifth floor of the jail. He ate the jail's cornmeal mush or oatmeal with his morning coffee and stewed fruit, but has his lunch sent in by his family.

Washington A. Star 10/28/31

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MAR 12 1931
U.S. DEPT. OF JUSTICE
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CAPONE GUNMAN GIVEN 6 MONTHS

GETS RESPITE FOR TWO WEEKS

Mother's Illness Responsible
For Stay: Occasion Used
By Court to Flay Scar-Face

CHICAGO, Oct. 28 (I.N.S.).—Six months in jail was the penalty levied today on Phil D'Andrea, Capone henchman, for carrying a revolver while attending the gang leader's mother at the trial.

In sentencing D'Andrea, Federal Judge James H. Wickerson took occasion to assail Capone as the leader of an insurrection against the United States, and attacked the gang leader for forcing defense witnesses to commit perjury at his trial.

The jurist referred to Capone's call for witnesses to attend a meeting at the Lexington Hotel where their testimony was discussed.

D'Andrea virtually had thrown himself on the mercy of the court.

At the behest of defense attorneys, the court granted D'Andrea a two weeks' stay of execution because of the serious illness of his mother.

Washington Times
10-28-31.

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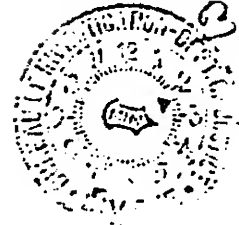
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Washington Times
10/28/31

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OCT 28 1931 PM

3 MA

CAPONE LIKELY TO GO TO PEN AT ONCE

Wants to Get Credit for Time
He Must Serve While His
Appeal Is Being Decided On

CHICAGO, Oct. 28 (INS). Al Capone may capitulate to his adversary, the United States Government, and willingly go to Leavenworth penitentiary, his lawyers indicated today.

But this capitulation would be made only to avoid "wasting time" while his attorneys strive in the higher courts to win a reversal of the jury verdict finding him guilty of defrauding the Government out of his income tax.

Bail Plea Denied

The possibility that Capone may shortly ask to be taken to Leavenworth, where he is under sentence to serve a 10-year term, arose as a consequence of a ruling by the Circuit Court Appeals, denying the gangster his liberty on bail.

The ruling, handed down yesterday, was that Capone must remain in the county jail until his appeal is disposed of. A matter of nearly two years if customary procedure is followed.

Thus, the appellate court's action in granting Capone's petition for a stay of sentence, while at the same time denying bail, is of no value to the convicted gangster's cause. Unless a court higher than the appellate orders Capone released on bail, he may voluntarily request to be sent to Leavenworth without further delay in order to receive credit on his sentence should his appeal be denied.

Case May Shift Here

Michael Ahern, the gangster's attorney, intimated he may go to Washington and ask Supreme Court Justice Van Devanter for an order admitting his client to bond and vacating the appellate court's writ.

If customary procedure prevails, Capone's appeal may be argued before the appellate court in about two months and a decision rendered probably next February. If the appellate court rejects the appeal, another year will probably be consumed in filing and arguing the appeal before the United States Supreme Court.

Meanwhile, Capone spends much of his time in his tiny jail cell, amusing himself with solitaire.

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Chicago, Illinois

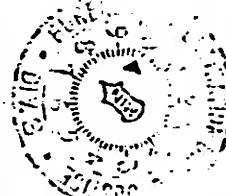
November 3, 1931

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Hon. George L. Q. Johnson
United States Attorney
Federal Building
Chicago, Illinois

NOV 3 1931



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Dear Sir:

On November 3, 1931, a party giving his name as [redacted] Chicago, called by telephone and stated that he was an old resident of St. Joseph, Michigan, and that information had come to him indicating that Philip Danzile, alleged body guard of Capone, was the owner of some property in St. Joseph, Michigan, and was known to own a farm or a resort immediately adjoining the farm owned or rented by Fred Burke, notorious outlaw. [redacted] further stated that Al Capone was the owner of a hotel in Benton Harbor, Michigan. [redacted] stated that Sheriff Fred Cutler of St. Joseph, Michigan, could give considerable information relative to the holdings of the above parties in St. Joseph and Benton Harbor, and that Sheriff Cutler was entirely dependable and could be relied upon to give correct information to the proper parties.

67D

The above is submitted for your information and any disposition you see fit.

Very truly yours,

W. A. McMAIN,
Special Agent in Charge.

WPC:RS
cc-Bureau

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Washington, D. C.

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